



BOARD OF DIRECTORS MEETING

THURSDAY, JUNE 24, 2010 at 1:00 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 54954.5: Public Employee Performance Evaluation: Executive Director
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 May 27, 2010 BOD Meeting Minutes
 - B. Resolution Approving a Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY 2011
 - C. Resolution Approving Contract with the City of San Carlos for Accounting and Financial Services for FY 2011
 - D. Resolution Approving a Contract with HF&H Consultants, LLC for Annual Rate Review Services for FY 2011
 - E. Resolution Approving Contract with Jeffrey Scott Agency (JSA) for Continuation of Collection Services Education & Promotion Campaign Development & Implementation Support for FY 2011
 - F. Resolution Approving a Contract with Betsy Meyer for Public Outreach and Education Support Services for FY 2011
 - G. Approval of Contract Change Order with JRMA for Construction Support Services
 - H. Resolution Authorizing Update to 401a Retirement Plan Language
 - I. Receipt of Allied Monthly Metrics
6. **New Business:**
 - A. Resolution Approving Tipping Fee Adjustments Effective July 1, 2010
 - B. Resolution Adopting FY 2011 Budget
 - C. Discussion on New Labor Agreements and their Impact on Member Agency Solid Waste Rates
7. **Staff Updates**
 - a) Update on Allied Contract Compliance
 - b) Shoreway Construction Update
 - c) Recycling and Outreach Programs Update
 - d) Preview of Upcoming Board meetings
8. **Board Member Comments**
9. **Adjourn**

Next Regular meeting scheduled for July 22, 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

DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
May 27, 2010 – 2:00 p.m.
San Carlos Library, Conference Room A
610 Elm Street, San Carlos, California**

1. **Roll Call:** CTO 1:04 p.m.
2. **Adjourn to Closed Session** - pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Labor Negotiator: Unrepresented employees-(All employees except Executive Director who will act as the Negotiator).
3. **Report from Closed Session**
Board direction that changes in salary ranges. Board direction that merit increases budget allocation be 2%.
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 April 22, 2010 BOD Meeting Minutes
 - B. Approval of Change Orders for JRMA Design & Engineering Services
 - C. Approval of Quarterly Investment Report as of 3/31/10
 - D. Receipt of Allied Monthly Metrics

Item 5B was pulled by Martha DeBry.
M/S Patterson/LaMariana approve Consent Calendar Items A, C, D
Motion Passes 11-0-0-1 (Absent: East Palo Alto)
6. **New Business:**
 - A. Review of Draft FY 2011 Budget

Discussion:

Member Fil attributed the decline in C&D revenue to the construction industry being down due to the drop in the economy. He noted that this is probably a natural result of the economy. Fil asked why then we were lowering our C&D rates?

Executive Director McCarthy explained that such a decline is not solely due to the economy and that a decline such as this is not normal even for the type of economy that we are currently in. The decline is due in part to the C&D business located at the Port of Redwood City; they are taking away some of our business because their rates are lower than ours.

Member Hardy asked what percentage of non-franchise C&D goes through our transfer station?

Executive Director McCarthy replied that when he started with the SBWMA it was 25-30%; now it is approximately 20%.

Member Fil asked what our reserve levels are? If there is a drop in commodity prices can we cover the hit to our budget?

Executive Director McCarthy replied that our operating budget for next year will be lower due to the end of the Pub Ed Roll Out campaign and that our revenue is projected to be higher so we should not experience a hit to our budget.

Staff will also bring back documentation on projected revenues and expenditures for C&D.
Further, staff at a future date will bring back a recommendation on pricing philosophy and model for 3rd party tonnages.

B. Update on Storage and Use of Biodiesel in Collection Fleet and Transfer Trailers

Discussion:

Members DeBry and Nava suggested staff draft a letter for the Member Agencies to send to Recology stating their approval of a temporary delay, subject to periodic review, in using biodiesel while staff and the board look in to alternative fuel options.

7. Staff Updates

- a) Update on Allied Contract Compliance
- b) Discussion on Member Agency Rate Setting: Rate Categories and Service Fees
- c) Shoreway Construction Update
- d) Shoreway Environmental Remediation Update
- e) Commercial Recycling Communications and Outreach Plan and Recology Blitz Plan
- f) Recycling and Outreach Programs Update
- g) Preview of Upcoming Board meetings

On item 7B staff will plan for a Board workshop on rate compensation issues.

On item 7E staff will send out a follow-up email asking for Board feedback on the Commercial Recycling Communications and Outreach Plan.

On item 7F staff will send out a follow-up email re: Member Agency staff participation in workshops.

8. Approval of Consent Calendar – Item B

Member DeBry asked for clarification of Delta 5: The Delta 5 redesign by JRMA is quoted at a not to exceed amount of \$36,920.00; is this amount being included in this request?

Staff Gans replied, no, it is not included and will be presented at a later date.

M/S DeBry/LaMariana approve Consent Calendar Item B

Motion Passes 11-0-0-1 (Absent: East Palo Alto)

9. Board Member Comments

None

10. Adjourn: 4:16 p.m.



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving a Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY 2011

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-16 attached hereto authorizing the following action:

The Executive Director execute a contract with Aaronson, Dickerson, Cohn & Lanzone (ADCL) to provide Legal Counsel services for FY 2011 with a not to exceed budget of \$60,000.

Analysis

This contract is an extension of the contract for legal services the SBWMA has had with the ADCL firm since the inception of the SBWMA. Staff considered conducting a competitive review process for these services, but decided that it was critical to maintain the institutional knowledge of Mr. Lanzone's law firm during the critical upcoming period in which new collection franchise agreements and the Shoreway operations agreement are being implemented. Staff will recommend that a competitive review be conducted for FY 2012.

Fiscal Impact

A new contract will be executed with a not to exceed amount of \$60,000. This is \$15,000 lower than the projected amount for FY 2010. The \$60,000 is reflected in the proposed FY 2011 Budget.

Attachments:

Resolution 2010-16

Exhibit A – Professional Services Agreement with Aaronson, Dickerson, Cohn & Lanzone



RESOLUTION NO. 2010-16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH
AARONSON, DICKERSON, COHN & LANZONE FOR LEGAL COUNSEL SERVICES
FOR FY 2011

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Aaronson, Dickerson, Cohn & Lanzone for the purpose of providing the following services:

Annual Legal Counsel Services for FY 2011

NOW, THEREFORE, BE IT RESOLVED that the SBWMA Board of Directors approves the contract attached hereto as Exhibit A and the Executive Director is authorized to sign the contract.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 24th day of June, 2010, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2010-16 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **25th day of June, 2010** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **ADCL** hereinafter "Consultant".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

1. Services

The services to be performed by Consultant under this Agreement shall be to **complete legal counsel services as** outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

2. Term of Agreement

Said services shall commence on execution and shall continue for completion of tasks within one year (12 month period). The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

3. Compensation

Payment under this Agreement shall be as per Exhibit A, not to exceed \$60,000.

4. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties in the space provided below.

5. Reliance of Professional Skill of Consultant

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

6. Relationship to Parties

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

7. Nonassignment

This Agreement is not assignable either in whole or in part.

8. Amendments

This Agreement may be amended or modified only by written agreement signed by both Parties.

9. Validity

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

10. Government Law/Litigation

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorney's fees and costs..

11. Mediation

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

12. Entire Agreement

This Agreement, including Exhibit A, comprises the entire Agreement.

13. Indemnity

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

14. Insurance

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

a. Worker's Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

b. Liability Insurance

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of

such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

15. Notice

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

SBWMA: **Kevin McCarthy, Executive Director**
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Consultant: **Aaronson, Dickerson, Cohn & Lanzone**
Robert Lanzone
939 Laurel Street, Suite D
San Carlos, CA 94070
Phone: (650) 593-3117
Fax: (650) 637-1401

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

DATED: _____, 2010

SBWMA

BY: _____
Kevin McCarthy, EXECUTIVE DIRECTOR

CONSULTANT:

DATED: _____, 2010

BY: _____
ADCL

NOTICE TO PROCEED

DATED _____, 2010

BY: _____
Jeannene Minnix Kingston, Board Secretary



EXHIBIT A (Scope of Work/Fee Schedule)

Robert J. Lanzone, providing legal services through the firm of Aaronson, Dickerson, Cohn & Lanzone, shall provide the following legal services to the South Bayside Waste Management Authority:

- Act as general counsel to the Board and staff of the SBWMA;
- Regularly attend Board and staff meetings;
- Prepare and review ordinances, resolutions, contracts, notices, agendas and other documents and papers necessary or appropriate in matters pertaining to the SBWMA;
- Provide legal advice, representation and assistance to the SBWMA, its Board and staff on all general legal matters pertaining to the SBWMA, including litigation and compliance with state and local laws.

Work will be completed on an agreed upon hourly rate of \$210 per hour.



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
 Marshall Moran, Finance Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving Contract with the City of San Carlos for Accounting and Financial Services for FY 2011

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-17 attached hereto authorizing the following actions:

1. Approve a Contract (attached hereto as Exhibit A) with the City of San Carlos to provide financial services for FY 2011 with a not to exceed budget of \$100,000 for financial services and an estimated \$10,000 for preparation of the calendar year financial statement preparation as required by the bond covenant; and \$15,000 for the annual outside fiscal year audit conducted by Maze and Associates including the calendar year financial statement.
2. Authorize the Executive Director to execute such contract.

Analysis

Use of the City of San Carlos for financial services, primarily accounting services, continues a successful shared services model that leverages the use of the City's accounting department while maintaining overall financial management and financial analysis responsibilities in-house. The description of services is outlined in the table below:

SBWMA FINANCIAL SERVICES

Rate: \$99 per hour

Scope of Financial Services to include:	Description of Services	FY 2011	Total Hours	Hours per Month
Daily Cash	Banking Verification	\$3,000.00	30.30	2.53
Administrative Services	Filing	1,000.00	10.10	0.84
Accounts Payable *	Payments of invoices and recording of capital payments paid through bond proceeds	26,000.00	262.63	21.89
Billing	Pass thru Accounting Service to Member Agency	1,000.00	10.10	0.84
Cash Receipts	Deposits/Wires	1,000.00	10.10	0.84
GL (monthly reconciliations, journals)	Reconciliation of balance sheet accounts including 6 cash/investment accounts	26,000.00	262.63	21.89
Fiscal Year Monthly Financial Reporting	Budget to actual Monthly reports compiled, coding reviewed and sent to SBWMA	13,000.00	131.31	10.94
Quarterly Investment Report	Submitted to Board Quarterly	1,000.00	10.10	0.84
Audit, CAFR and Year-end Activities	Preparation of audit checklist, footnote disclosures, GASB 34 and other annual reports required	28,000.00	282.83	23.57
Total to be performed by City of San Carlos		\$100,000.00	1010.10	84.18

* Includes additional volume related to contract change mid-year

Background

On March 1, 2000, the San Carlos Finance Department began providing full financial services for the SBWMA. The SBWMA agreed to fund one-half of the salary and benefits for a new City position of Investment and Revenue Manager for financial services and 250 Finance Director hours (salary and benefits) for Finance Director Services. The City has continued to provide these services and the SBWMA has paid for the services. In May 2006, the City of San Carlos hired a new Administrative Services Director which eliminated the vacant Finance Director position, and the City has continued to provide financial services to the SBWMA.

Fiscal Impact

The SBWMA will pay the City of San Carlos \$100,000 for financial services, an increase of \$2,000 from FY 2010 , an estimated \$10,000 preparation of the calendar year financial statement preparation, and \$15,000 for an outside financial auditor compared to \$12,000 last year. These expenses are included in the proposed FY 2011 Budget.

Attachments

Resolution 2010-17

Exhibit A -- Professional Services Agreement – Financial Services



RESOLUTION NO. 2010-17

**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
APPROVING A CONTRACT WITH THE CITY OF SAN CARLOS FOR
ACCOUNTING AND FINANCIAL SERVICES FOR FY 2011 AND AUTHORIZING
THE EXECUTIVE DIRECTOR TO EXECUTE SUCH CONTRACT**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into an agreement with the City of San Carlos for the purpose of providing the following services:

Financial Services for FY 2011, more particularly described in the Agreement attached hereto as Exhibit A.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the recommendation to enter into contract with the City of San Carlos and authorizes the Executive Director to execute such contract.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 24th day of June, 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. 2010-17 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 1st day of July, 2010 by and between the City of San Carlos hereinafter called "CITY" and South Bayside Waste Management Authority hereinafter called "SBWMA".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. The SBWMA is a joint powers authority established under Government Code 6500 et seq.
- B. That SBWMA desires to engage CITY to render certain financial services to the SBWMA related to carrying on the day to day financial operations of the SBWMA;
- C. That CITY is qualified to provide such services to the SBWMA and;

THEREFORE, the SBWMA has elected to engage the services of CITY upon the terms and conditions as hereinafter set forth.

1. Services. The services to be performed by CITY under this Agreement shall include those services set forth in Exhibit A, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein.

Performance of the work specified in said Exhibit is hereby made an obligation of CITY under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.

Where in conflict, the terms of this Agreement supersede and prevail over any terms set forth in Exhibit A.

2. Term; Termination. (a) The term of this Agreement shall commence upon the date hereinabove written and shall expire upon completion of performance of services hereunder by CITY. (b) Notwithstanding the provisions of (a) above, either party may terminate this Agreement without cause by giving written notice not less than thirty (30) days prior to the effective date of termination, which date shall be included in said notice. In the event of such termination, SBWMA shall compensate CITY for services rendered, and reimburse CITY for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of SBWMA to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to SBWMA hereunder.
3. Compensation; Expenses; Payment. SBWMA shall compensate CITY for all services performed by CITY hereunder in an amount based upon terms set forth in Exhibit A and Exhibit B.

Compensation and reimbursement of costs and expenses hereunder shall be payable upon quarterly billing therefore by CITY to SBWMA.

4. Additional Services. In the event SBWMA desires the performance of additional services not otherwise included within the services described in Exhibit A, such services shall be authorized in advance of the performance thereof by SBWMA's Executive Director (for contracts less than \$50,000 or authorized by SBWMA Board action for contracts \$50,000 or more by motion duly made and carried). Such amendment to this Agreement shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefore, the time of performance thereof, and such other matters as the parties deem appropriate for the accomplishment of such services. Any additional services causing the total contract price to exceed \$50,000, shall require approval by the SBWMA Board. Except to the extent modified by written amendment, all other terms and conditions of this Agreement shall be deemed incorporated in each such amendment.
5. Records. CITY shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by CITY hereunder. Said records shall be available to SBWMA for review and copying during regular business hours at CITY's place of business or as otherwise agreed upon by the parties.
6. Authorization. This Agreement becomes effective when endorsed by both parties in the space provided below.
 7. Reliance on Professional Skill of CITY. CITY represents that it has the necessary professional skills to perform the services required and the SBWMA shall rely on such skills of the CITY to do and perform the work. In performing services hereunder CITY shall adhere to the standards generally prevailing for the performance of expert consulting services similar to those to be performed by CITY hereunder. CITY acknowledges the importance to SBWMA of the skill, competency, ability to appropriately work with SBWMA staff and expertise of individual staff assigned to the project, and accordingly the individuals assigned to the Project must be acceptable to SBWMA.
8. Documents. All documents, plans, drawings, renderings, and other papers, or copies thereof, as finally rendered, prepared by CITY pursuant to the terms of this Agreement, shall, upon preparation and delivery to SBWMA, become the property of SBWMA.
9. Relationship of Parties. It is understood that the relationship of CITY to the SBWMA is that of an independent contractor and all persons working for or under the direction of CITY are its agents or employees and not agents or employees of the SBWMA.
10. Schedule. CITY shall adhere to the schedule set forth in Exhibit A; provided, that SBWMA shall grant reasonable extensions of time for the performance of such services occasioned by governmental reviews of CITY's work product or other unavoidable delays; provided, further, that such unavoidable delay shall not include strikes, lockouts, work stoppages, or other labor disturbances conducted by, or on behalf of, CITY's officers or employees.

CITY acknowledges the importance to SBWMA of SBWMA's Project schedule and agrees to put forth its best professional efforts to perform its services under this Agreement in a manner consistent with that schedule.
11. Indemnity. CITY hereby agrees to defend, indemnify, and save harmless SBWMA, its boards, commissions, officers, attorneys, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs of litigation and attorneys fees) of every nature, kind or description, which

may be brought against, or suffered or sustained by, SBWMA, its boards, commissions, officers, attorneys, employees or agents arising or resulting directly or indirectly from any act or omission of CITY, its officers, employees or agents in the performance of any services or work pursuant to this Agreement.

The duty of CITY to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code; provided, however, that nothing herein contained shall be construed to require CITY to indemnify SBWMA, its boards, commissions, officers, employees and agents against any responsibility or liability in contravention of Section 2782 of the California Civil Code.

12. Insurance. CITY shall acquire and maintain Workers' Compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, and professional liability insurance covering risks relating to CITY's services to be performed hereunder in form subject to the approval of the Authority's Attorney and/or Authority's Risk Manager. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event, shall be as follows:

<u>Insurance Category</u>	<u>Minimum Limits</u>
Workers' Compensation	statutory minimum
Employer's Liability	\$1,000,000 per accident for bodily injury or disease
Commercial General Liability	\$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage
Automobile Liability	\$1,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to CITY's vehicle usage in performing services hereunder)
¹ Professional Liability	\$1,000,000 per claim and \$2,000,000 aggregate

Concurrently with the execution of this Agreement, CITY shall, on the Insurance Coverage form provided in Exhibit C, furnish SBWMA with certificates and copies of information or declaration pages of the insurance required hereunder and, with respect to evidence of commercial general liability and automobile liability insurance coverage, original endorsements:

- (a) Precluding cancellation or **reduction in per occurrence limits** before the expiration of thirty (30) days (10 days for nonpayment) after SBWMA shall have received written notification of cancellation in coverage or **reduction in per occurrence limits** by first class mail;

¹ Note: Professional liability insurance coverage is not required if the contractor/vendor/consultant is not providing a service regulated by the state. (Examples of service providers regulated by the state are insurance agents, professional engineers, doctors, certified public accountants, lawyers, etc.) Please check and initial the following if professional liability is **NOT** required for this agreement. Recommended _____ [Project Manager] Approved _____ [Risk Manager]

- (b) Naming the South Bayside Waste Management Authority its officers, boards, commissions, attorneys, employees, and agents, as additional insureds; and
- (c) Providing that CITY's insurance coverage shall be primary insurance with respect to SBWMA, its officers, boards, commissions, attorneys, employees, and agents, and any insurance or self-insurance maintained by SBWMA for itself, its officers, boards, commissions, employees, or agents shall be in excess of CITY's insurance and not contributory with it.

Claims Made Policies

If any of the required policies provide claims-made coverage:

1. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the City must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

Verification of Coverage

CITY shall furnish the SBWMA with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the SBWMA before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CITY's obligation to provide them. The SBWMA reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

Waiver of Subrogation

CITY hereby grants to SBWMA a waiver of any right to subrogation which any insurer of said Consultant may acquire against the SBWMA by virtue of the payment of any loss under such insurance. This provision applies regardless of whether or not the SBWMA has requested or received a waiver of subrogation endorsement from the insurer.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the SBWMA.

Special Risks or Circumstances

SBWMA reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

13. WORKERS' COMPENSATION. CITY certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CITY certifies that he will comply with such provisions before commencing the performance of the work of this agreement.

14. NON-DISCRIMINATION. The CITY will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CITY will take affirmative action to insure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CITY shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. The CITY agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the SBWMA setting forth the provisions of this non-discrimination clause.
15. Notice. All notices required by this Agreement shall be given to the SBWMA and CITY in writing, by first class mail, postage prepaid, addressed as follows:
- | | |
|--------|--|
| SBWMA: | South Bayside Waste Management Authority
610 Elm Street #202
San Carlos, CA 94070
Attention: Kevin McCarthy |
| CITY: | City of San Carlos
600 Elm Street
San Carlos, CA 94070
Attention: Jeff Maltbie |
16. Non-Assignment. This Agreement is not assignable either in whole or in part.
17. Amendments. This Agreement may be amended or modified only by written agreement signed by both parties.
18. Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
19. Governing Law. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable attorney's fees and expenses of litigation of the successful party.
20. Mediation. Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of the settlement and each party shall bear its own legal costs. If a party refuses or fails to participate in mediation in good faith prior to filing a lawsuit, then that party shall be barred from recovery of attorneys fees and costs of suit.

- 21. Conflict of Interest. CITY may serve other clients, but none who are active within the South Bayside Waste Management Authority or who conduct business that would place CITY in a "conflict of interest" as that term is defined in State law. The Parties hereto acknowledge that Aaronson, Dickerson, Cohn and Lanzone represents both entities under this agreement and knowingly waive the potential conflict of interest.
- 22. Entire Agreement. This Agreement, including Exhibits A and B comprise the entire Agreement between the SBWMA and CITY.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written by their respective officers duly authorized in that behalf.

CITY OF SAN CARLOS

Dated: _____

Mark Weiss, City Manager

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Dated: _____

Kevin McCarthy, Executive Director

APPROVED AS TO FORM

Dated: _____

Gregory J. Rubens, City Attorney

APPROVED AS TO FORM

Dated: _____

Robert J. Lanzone, SBWMA Legal Counsel

EXHIBIT A

SCOPE OF WORK AND SCHEDULE AND FEES

A. SCOPE OF SERVICES

1. The City will perform Financial Services for the SBWMA, including establishing and maintaining bank and investment accounts; financial system set up; establishing and implementing internal financial controls, financial policies and procedures and investment policies; paying vendors; managing receivables; investing surplus cash; reporting fiscal year financial results; managing the year-end audit process; budgeting and performing those tasks necessary to implement these services.

2. In performing the Services under this Agreement, the City employees assigned to provide SBWMA services shall comply with the SBWMA's Bylaws and other rules, principles, and laws applicable specifically to the SBWMA, including without limitation, the SBWMA's Financial Policy and Procedures, as may be amended from time to time. All financial transactions (payments, deposits and transfers) performed by City Employees will have been pre-approved by the SBWMA Executive Director or SBWMA Finance Manager.

3. Nothing herein shall prohibit or otherwise limit the SBWMA's right to enter into further agency agreements and/or work order arrangements with other public agencies for the provision of these or other services.

B. COMPENSATION

1. The SBWMA agrees to pay to City the full cost of providing financial services as shown in this Exhibit A, as the same may be amended from time to time by agreement between the Parties.

2. SBWMA and City acknowledge and agree that compensation paid by SBWMA to City under this Agreement is based upon City's cost of providing the services required hereunder, including salaries and benefits of employees.

3. The SBWMA agrees to reimburse the City for Financial Services. Direct external costs are borne by the SBWMA. Financial services costs are those expenses necessary to administer this Agreement and are included in the fixed rate. City will provide these services for a fixed annual fee for FY 2011 (July 1, 2010 to June 30, 2011) of \$100,000. This fixed rate will be adjusted on an annual basis.

4. Terms of Payment. The City shall submit invoices quarterly for the prior quarter's services. Invoices shall be submitted 30 days prior to the end of the first quarter and shall be delinquent if not paid within 30 days of receipt. Each invoice will detail the quarterly cost of services and prior quarter's direct external costs. Delinquent payments will be subject to a late payment carrying charge computed at a periodic rate of 1% per month, which is an annual percentage rate of 12%, which will be applied to any unpaid balance owed commencing seven (7) days after the payment due date.

5. Charges for the preparation of the Calendar Year Financials will be billed at a rate of \$99/hour not including expenses. The scope of services noted above includes the work to be performed for a June

30 year end. Any work involved regarding preparation or reconciliation of financial statements with a December 31 year end are outside of initial scope and will be billed separately as agreed to by both parties.

6. Charges for other services and special projects requested of the City will be at a rate of \$99/hour not including expenses. External vendor charges, such as independent auditor, postage, storage and legal fees, will be paid directly by the SBWMA or reimbursed by the SBWMA if paid by the City, and be without City overhead fees. The City will manage the outside audit process (and SBWMA's costs for this management service are included in the annual Administrative Charge).

EXHIBIT B
CITY'S FEE SCHEDULE

SBWMA FINANCIAL SERVICES ESTIMATE

Scope of Financial Services to include:	<u>FY 2011</u>
Daily Cash	\$3,000.00
Administrative Services	1,000.00
Accounts Payable *	26,000.00
Billing	1,000.00
Cash Receipts	1,000.00
GL (monthly reconciliations, journals)	26,000.00
Fiscal Year Monthly Financial Reporting	13,000.00
Quarterly Investment Report	1,000.00
Audit, CAFR and Year-end Activities	<u>28,000.00</u>
Total to be performed by City of San Carlos	<u><u>\$100,000.00</u></u>

* Includes additional volume related to contract change mid-year

Charges for other services including the preparation of the Calendar Year Financials for Bond Covenant and other special projects requested of the City will be at a rate of \$99/hour per NBS Cost Schedule

Other Charges to be billed separately

Maze & Associates Audit Fees **	per Engagement Letter
Storage costs	pass-thru
Postage costs	pass-thru
Calendar Year Financial Statements	T&M rates noted above

EXHIBIT C

INSURANCE FORMS

CONSULTANT shall provide, in addition to the Certificates of Insurance, original Endorsement affecting the coverages specified in Section 11 - INSURANCE of the Agreement on the attached form. No substitute form will be accepted.

ATTACHED

1. Insurance Coverage Form

This **INSURANCE COVERAGE FORM** modifies or documents insurance provided under the following:

Named Insured: _____ Effective Work Date(s): _____

Description of Work/Locations/Vehicles: _____

ADDITIONAL INSURED: **City of San Carlos**
600 Elm Street, San Carlos, CA 94070
Attention: _____
Contract Administrator

Endorsement and Certificates of Insurance Required	Insurer	Policy No.
The Additional Insured, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (Check all that apply)		
<input type="checkbox"/> General Liability: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, (c) premises owned, leased occupied or used by the Named Insured, and/or (d) permits issued for operations performed by the Named Insured. (Note: MEETS OR EXCEEDS ISO Form # CG 20 10 11 85)		
<input type="checkbox"/> Auto Liability: the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Named Insured, regardless of whether liability is attributable to the Named Insured or a combination of the Named Insured and the Additional Insured, its elected or appointed officers, officials, employees or volunteers.		
<input type="checkbox"/> Other:		
Certificates of Insurance Required (no endorsement needed) (Check all that apply)	Insurer	Policy No.
<input type="checkbox"/> Workers Compensation:		
<input type="checkbox"/> Professional Liability:		

PRIMARY/NON-CONTRIBUTORY: This insurance is primary and is not additional to or contributing with any other insurance carried by or for the benefit of Additional Insureds.

SEVERABILITY OF INTEREST: The insurance afforded by this policy applies separately to each insured who is seeking coverage or against whom a claim is made or a suit is brought, except with respect to the insurer's limit of liability.

PROVISIONS REGARDING THE INSURED'S DUTIES AFTER ACCIDENT OR LOSS: Any failure to comply with reporting provisions of the policy shall not affect coverage provided to the Additional Insured, its elected or appointed officers, officials, employees, or volunteers.

CANCELLATION NOTICE. The insurance afforded by this policy shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice (ten (10) days if canceled due to non-payment) by regular mail has been given to the Additional Insured. Such notice shall be addressed as shown above.

WAIVER OF SUBROGATION: The insurer(s) named above agree to waive all rights of subrogation against the CITY/District, its elected or appointed officers, officials, agents, volunteers and employees for losses paid under the terms of this policy which arise from work performed by the Named Insured for the CITY/District.

Nothing herein contained shall vary, alter or extend any provision or condition of the Policy other than as above stated.

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

I, _____ (print/type name), warrant that I have authority to bind the above-named insurance company and by my signature hereon do so bind this company.

SIGNATURE OF AUTHORIZED REPRESENTATIVE (original signature required) _____

ORGANIZATION: _____ TITLE: _____

ADDRESS: _____

TELEPHONE: () _____ DATE ISSUED: _____



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Marshall Moran, Finance Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving a Contract with HF&H Consultants, LLC for Annual Rate Review Services for FY 2011

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-18 attached hereto authorizing the following action:

The Executive Director execute a contract with HF&H Consultants, LLC for Annual Rate Review Services with a not to exceed budget of \$140,000 for FY 2011.

Analysis

This recommendation is based on HF&H's long standing and unique experience conducting the rate review work for the cost plus rate methodology in place for SBWMA Member Agencies. The scope of work is to perform the 2010 rate review of Allied Waste Services of San Mateo County (Allied) jurisdiction-based refuse, recyclable material, and plant material collection, processing, and disposal application; and, the Shoreway Recycling and Disposal Center application.

Background

On an annual basis the SBWMA conducts a rate review of all collection services provided by Allied for the 12 Member Agencies. The end result of the rate review process is a rate document that is approved by the SBWMA Board of Directors and transmitted to Member Agencies. The document provides rate recommendations, but ultimately the individual Member Agencies retain all responsibility and obligations for recommending and approving rates for their residential and commercial customers.

Concurrent with the rate review for collection services, a separate rate review is conducted of Allied's Shoreway operations. Since the SBWMA owns the Shoreway facility, it retains all responsibility and obligations for recommending and approving rates for this facility.

Fiscal Impact

The attached scope of work is for \$140,000 and reflects a decrease of \$35,000 compared to the annual rate review budget for FY 2010. Staff has included a total of \$180,000 for rate review services in the proposed 2011 budget to allow for additional rate analysis in transition to the new collection franchise agreements and some initial work in 2011 for closeout of the Allied contracts.

Attachments:

Resolution 2010-18

Exhibit A – Professional Services Agreement with HF&H



RESOLUTION NO. 2010-18

RESOLUTION OF THE
 SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS
 AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT
 WITH HF&H CONSULTANTS, LLC
 FOR ANNUAL RATE REVIEW SERVICES FOR FY 2011

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with HF&H Consultants, LLC for the purpose of providing the following services:

Annual Rate Review Services for FY 2011

NOW, THEREFORE, BE IT RESOLVED that the SBWMA Board of Directors approves the contract attached hereto as Exhibit A and the Executive Director is authorized to sign the contract.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 24th day of June, 2010, by the following vote:

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

HEREBY CERTIFY that the foregoing Resolution No. 2010-18 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

 Jim Porter, Chairperson of SBWMA

 Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

 Robert Lanzone, SBWMA Counsel



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **25th day of June, 2010** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **HF&H Consultants, LLC** hereinafter "Consultant".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

1. Services

The services to be performed by Consultant under this Agreement shall be to **complete annual rate review services** as outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

2. Term of Agreement

Said services shall commence on execution and shall continue for completion of tasks within one year (12 month period). The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

3. Compensation

Payment under this Agreement shall be as per Exhibit A, not to exceed \$140,000.

4. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties in the space provided below.

5. Reliance of Professional Skill of Consultant

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

6. Relationship to Parties

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

7. Nonassignment

This Agreement is not assignable either in whole or in part.

8. Amendments

This Agreement may be amended or modified only by written agreement signed by both Parties.

9. Validity

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

10. Government Law/Litigation

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorney's fees and costs..

11. Mediation

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

12. Entire Agreement

This Agreement, including Exhibit A, comprises the entire Agreement.

13. Indemnity

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

14. Insurance

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

a. Worker's Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

b. Liability Insurance

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of

such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

15. Notice

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

SBWMA: **Kevin McCarthy, Executive Director**
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Consultant: **HF&H Consultants, LLC**
Richard J. Simonson
2175 N. California Blvd., Suite 990
Walnut Creek, CA 94596
925-977-6950
925-977-6955

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SBWMA

DATED: _____, 2010

BY: _____
Kevin McCarthy, EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

DATED _____, 2010

Robert J. Lanzone, SBWMA ATTORNEY

CONSULTANT:

DATED: _____, 2010

BY: _____
HF&H Consulting

NOTICE TO PROCEED

DATED _____, 2010

BY: _____
Jeannene Minnix Kingston, Board Secretary



EXHIBIT A (Scope of Work/Fee Schedule)



Agenda Item 5D .

Attachment: EXHIBIT A – ATTACHMENT

- ◆ Exhibit A – Professional Services Agreement with HF&H, Scope of Work Proposal
File too large to include with Packet

Report POSTED at www.rethinkwaste.org



STAFF REPORT

To: SBWMA Board Members
From: Monica Devincenzi, Recycling Outreach & Sustainability Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving Contract with Jeffrey Scott Agency (JSA) for Continuation of Collection Services Education & Promotion Campaign Development & Implementation Support for FY 2011

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-19 attached hereto authorizing the following action:

Authorize the Executive Director to execute the attached contract (**Exhibit A**) with Jeffrey Scott Agency (JSA) for Continuation of Collection Services Education and Promotion Campaign Development and Implementation Support for FY 2011 for a not-to-exceed amount of \$570,000.

Analysis

Staff has been working with JSA since December 1, 2009 to develop and implement a strategic communications work plan to ensure that residents and businesses are fully educated and understand the new collection services that will be rolled out starting in August. The goal of the campaign has been to create one that is multidimensional, including advertising, media relations, and community engagement strategies to ensure a smooth transition of the approximately 90,000 households and 10,000 businesses to new collection services.

JSA's scope of services for is included with the contract. Some of the key components of the scope are highlighted below:

- **Media Plan (Exhibit B)** - Developing, producing and launching a media campaign that includes print, radio, television, web, outdoor, cinema and other advertising opportunities to promote the new residential and commercial collection services. This campaign launches in July and continues through March 2011.
- **Single-Family Residential Brochure/Starter Kit** – Developing and producing the collateral that will be delivered with the residential carts and kitchen pails from August through December 2010.
- **Social Media** – Developing and assisting in maintaining social media/marketing sites and strategies for RethinkWaste through such sites as Facebook, Twitter and YouTube to promote the new services. The RethinkWaste Facebook page will launch in July 2010.
- **Rethinker Newsletter** – Developing and producing the quarterly newsletter promoting RethinkWaste programs and sustainability.
- **Community Meetings/Events/Presentations** – Assisting RethinkWaste with planning and preparing for community meetings, events and presentations as needed, including producing materials and logistics that promote and explain the new services.

The following items have been developed and produced by JSA for RethinkWaste to date through their current contract:

- New RethinkWaste logo

- Collection services program names/logos: CartSMART (for residential), BizSMART (for commercial)
- Container images (in-molded graphics) for residential and commercial Recycle, Compost and Garbage Cart lids
- Content/images on new services for RethinkWaste website
- Tabletop display on new residential service (for RethinkWaste/Recology San Mateo County information booth at Member Agency community events)
- Giveaways (for RethinkWaste/Recology San Mateo County information booth at Member Agency community events)
- Garbage Cart Selection brochure (currently being sent to single-family residents)
- Print advertisements for the Garbage Cart Selection brochure
- Media Plan

Staff has been working closely with the Public Education Committee, which has been reviewing and approving the content of the collateral materials (brochures, cart graphics, etc.) and the Media Plan. The committee is comprised of Board Vice Chair Brian Moura (San Carlos), Board Member Laura Galli (Foster City), Lillian Clark (Recycleworks/San Mateo County), and Roxanne Murray (San Mateo.) The committee was created to ensure that Member Agency input is included in the development of the pieces and that the specific needs of the communities are addressed. The committee will continue to serve in this capacity throughout the campaign.

Staff and JSA have also been working collaboratively with Recology, the Member Agencies' selected franchised collection service provider, to ensure that messaging is consistent, and that any public education items that impact the operational aspects of the roll-out meet the required deadlines.

Background

On November 19, 2009, the SBWMA Board of Directors authorized the Executive Director to execute a contract with JSA for the development and implementation of an education and promotion campaign for the roll-out of the new collection services. The term of the original agreement was for the period of December 1, 2009 through June 30, 2011. However, the original contract established a Phase 1 period through June 30, 2010 with a not-to-exceed amount of \$325,000 for both JSA's professional services and reimbursable costs, such as printing. Phase 2 was to encompass the contract period of July 1, 2010 through June 30, 2011, with the contract amount to be established during the budget-setting process for FY 2011.

Fiscal Impact

The SBWMA proposed FY 2011 budget includes \$675,000 for outreach development and implementation for the new collection services. The JSA contract for Phase 2 has been negotiated at a not-to-exceed amount of \$570,000 for both their professional services and reimbursable costs. Of the \$570,000 contract amount, \$225,000 are monies carried over from Phase 1 of JSA's contract which were not expended in FY 2010.

Attachments:

Resolution 2010-19

Exhibit A -- Professional Services Agreement with JSA

Exhibit B -- Media Plan



RESOLUTION NO. 2010-19

**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH
JEFFREY SCOTT AGENCY (JSA) FOR CONTINUATION OF COLLECTION SERVICES
EDUCATION & PROMOTION CAMPAIGN DEVELOPMENT & IMPLEMENTATION
SERVICES FOR FY 2011**

WHEREAS, previously the South Bayside Waste Management Authority Board of Directors (Board) approved a contract on November 19, 2009 with the firm of Jeffrey Scott Agency, Inc. (JSA) to provide communications/ media/ marketing services for the rollout of new collection services; and

WHEREAS, attached as Exhibit A hereto is an Agreement for Professional Services for FY 2011 that the Board has reviewed; and

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the Agreement with JSA, Exhibit A hereto.

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 24th day of June, 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. 2010-19 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the 25th day of June, 2010 by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **Jeffrey Scott Agency, Inc. (JSA)** hereinafter "Consultant".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

1. Services

The services to be performed by Consultant under this Agreement shall be to continuing to provide Strategic Communications Planning, Environmental Communications, Media Relations, Creative Development Services, Multi-Cultural Outreach, Community Engagement Strategies and Methods, Social Marketing-Based and Electronic Media Strategies and Communications, Collateral Production and Broadcast Production as outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

2. Term of Agreement

Said services shall commence on July 1, 2010 and shall continue through June 30, 2011. The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

3. Compensation

Payment under this Agreement shall be as per Exhibit B, not to exceed **\$570,000**.

4. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties in the space provided below.

5. Reliance of Professional Skill of Consultant

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

6. Relationship to Parties

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

7. Nonassignment

This Agreement is not assignable either in whole or in part.

8. Amendments

This Agreement may be amended or modified only by written agreement signed by both Parties.

9. Validity

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

10. Government Law/Litigation

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorneys fees and costs..

11. Mediation

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

12. Entire Agreement

This Agreement, including Exhibit A, comprises the entire Agreement.

13. Indemnity

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

14. Insurance

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

a. Worker's Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

b. Liability Insurance

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of

such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

15. Ownership of Materials

All materials developed by the Consultant or any other person engaged directly or indirectly by the Consultant to perform the services required hereunder shall be and remain the property of the SBWMA without restriction or limitation upon their use.

16. Notice

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

SBWMA: **Kevin McCarthy, Executive Director**
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Consultant: **Jeffrey Scott Agency, Inc.**
Marcus Young
450 Geary Street, Suite 301
Phone: (415) 353-5692
Fax: (415) 353-5695

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

DATED: _____, 2010

SBWMA

BY: _____
Kevin McCarthy, EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

DATED _____, 2010

Robert J. Lanzone, SBWMA ATTORNEY

CONSULTANT:

DATED: _____, 2010

BY: _____
Marcus Young, Jeffrey Scott Agency

NOTICE TO PROCEED

DATED _____, 2010

BY: _____
Jeannene Minnix Kingston, Board Secretary



EXHIBIT A – Scope of Services

PROJECT UNDERSTANDING & GOALS

The SBWMA and its Consultant will be designing, producing and implementing a Public Education and Promotion Campaign for the Roll-Out of New Collection Services by January 1, 2011 to the SBWMA Member Agencies. Goals of this project include:

- *Promoting awareness and understanding of the new and improved solid waste, recycling and organic collection services;*
- *Encouraging maximum participation by residents and businesses; and*
- *Educating and engaging the public on the SBWMA's goals and vision for sustainable materials, management practices.*

The Public Education and Promotion Campaign will be developed in coordination and collaboration with the SBWMA Member Agencies and the SBWMA's franchised collection services provider to ensure that both continuity in the messaging and the needs of the communities are met.

ELEMENTS OF THE SCOPE

1. Creative Development Services

Provide creative development to SBWMA staff for the production of outreach such as broadcast, print, and electronic (e.g. web, e-mail) advertising, brochures, fact sheets, direct mail, outdoor media, signage, video, displays or promotional items.

This may include providing services related to the production of marketing materials including: copywriting, illustration, photography, art direction, graphic design/production, television and radio production, video production, and media planning services.

All final artwork is to be provided to the SBWMA on disk, as well as in an accessible PDF format. All printed material must utilize a minimum of 30 percent recycled content paper and environmentally friendly ink.

A. Timeline: July 1, 2010 – June 30, 2011

B. Deliverables Include:

- | | |
|---|------------------|
| a. Single-Family Residential Brochure(s)/Starter Kit | \$130,000 |
| Finalize and produce residential brochure(s)/starter kit that details the new residential services, program parameters and general information in English, Spanish and Chinese. Multiple templates may be necessary to reflect Member Agency-specific programs. Brochures should be designed in downloadable PDF format. The brochure/starter kit will be delivered to residents August 30 through December 18, 2010. | |
| b. Single-Family Kitchen Pail Sticker | \$20,000 |
| Develop and produce artwork for sticker to be adhered to the lids of the compost kitchen pails detailing the items that are accepted in the pail. The sticker is to rely primarily on the use of graphics to relay message, and must complement the Compost | |

Cart graphics already produced. Final sticker dimensions are to be provided by the SBWMA. Pail stickers are to be produced in September 2010.

- c. Advertising** **\$50,000**
 Develop and produce artwork for electronic and print media based on the final Media Plan. Advertising may be produced in both English and Spanish, and thus must be easily translatable. Graphics, images and icons should be universally and easily understood (e.g., the three chasing arrows is a universal symbol for recycling). Artwork to be produced July 2010 through January 2011.
- d. Newsletter** **\$0**
 Develop and produce quarterly newsletter targeting single-family and multi-family audiences. The newsletter must be in four-color, and format must allow for direct mail or to be included as a bill insert.
- e. Used Motor Oil Container Sticker** **\$3,500**
 Develop and produce artwork for sticker to be adhered to the used motor oil containers. The sticker is to rely primarily on the use of graphics to relay message. Final sticker dimensions are to be provided by the SBWMA. Used motor oil container stickers are to be produced in November 2010.
- f. Bill Inserts** **\$10,000**
 Develop and produce bill inserts as needed throughout the term of the contract.
- g. Social Marketing** **\$10,000**
 Develop and produce strategy, artwork and content for social marketing sites such as Facebook, Twitter, and My Space. This may include copy, images or videos. Provide training to SBWMA staff on using, monitoring and updating these sites. Gather information on site traffic, demographics of site visitors, assess effectiveness of content and messaging, and adjust accordingly. The SBWMA may also pursue developing applications for smart phones. SBWMA's Facebook page to launch July 2010.
- h. SBWMA Website** **\$5,000**
 Assist the SBWMA in updating the RethinkWaste.org website with new artwork, and developing customer-friendly applications and content for providing updated information related to the roll-out. This is ongoing throughout the term of the contract.
- i. E-Blast Newsletters** **\$2,500**
 Develop templates for push mail/e-blasts, and assist with content as needed. Templates to be produced in July 2010.
- j. Giveaways** **\$1,000**
 Develop and produce useful and, environmentally friendly giveaways promoting the RethinkWaste brand, program theme or new services as determined throughout the term of the contract. The promotional items may be used at events, meetings or delivered to targeted audiences. Items must be durable and contain recycled content.
- k. Signs/Posters/Banners** **\$2,500**
 Develop and produce signs, posters or banners as needed for display at meetings and events throughout the term of the contract.

- | | |
|---|-----------------|
| I. Business Outreach | \$10,000 |
| Develop specific recycling outreach material and programs as needed targeting businesses. This includes a direct mail piece to be sent to businesses in July 2010 and bill insert in August 2010, informing businesses and property owners/managers of the changes in services, containers and service providers. | |
| m. Account Management | \$27,000 |
| All of the Consultant's day-to-day management of the account, interfacing with the SBWMA and the Consultant's art department, managing vendor relationships, media planning and execution, billing and negotiations, travel expenses, electronic fees, and other related expenses. | |

2. Media Plan **\$267,000**

This is based upon the final plan as approved by the SBWMA, and comprises direct costs of the actual media buy. Costs are allocated based on various outlets of advertising detailed in the final Media Plan.

A. Timeline: July 19, 2010 – March 20, 2011

3. Media Relations

Provide media relations services as needed throughout the term of the contract. This includes identification of news media opportunities, timing and preparation of press releases and media packets, key messages for the media, identifying appropriate media outlets, pitching of news stories, dissemination of press releases, video news releases, video footage (b-roll), and logistics and coordination of press events as needed.

A. Timeline: July 1, 2010 – June 30, 2011

B. Deliverables Include:

- | | |
|--|----------------|
| a. Press Releases | \$1,000 |
| Prepare and disseminate press releases as needed to local, national and industry-specific media as appropriate. This is ongoing throughout term of the agreement. | |
| b. Media Packets | \$2,000 |
| Develop and produce media packets, including fact sheets, camera/broadcast-ready photographs, digital images or other material as appropriate. This is ongoing throughout term of the agreement. | |
| c. Video Footage | \$1,500 |
| Produce video footage (b-roll) of collection and processing aspects of SBWMA services for media use. This will be primarily produced January through June 2011 upon starting of new collection services and completion of the Shoreway Environmental Center. | |
| d. Press Events | \$1,500 |
| Provide logistics and coordination for SBWMA-scheduled press events as needed. This is ongoing throughout term of the agreement. | |
| e. News Stories | \$1,000 |
| Identify and create news stories and opportunities, and pitch them to appropriate news outlets. This is ongoing throughout term of the agreement. | |

- f. Communications Training** **\$2,500**
Provide communications training as needed to SBWMA staff, Board Members and other SBWMA designees as needed. Primary training to occur in July and August 2010.

4. Community Engagement

Develop and implement public engagement strategies based on the final Community Engagement Plan that encourage public input and involvement in the development of the SBWMA's environmental policies and programs.

A. Timeline: July 1, 2010 – June 30, 2011

B. Deliverables Include:

- a. Green Team Block Leader Program** **\$2,500**
Assist as needed with development of producing volunteer manuals, program collateral and other support as determined. Program to launch August 2010.
- b. Community Meetings/Events/Presentations** **\$5,000**
Develop, plan and prepare for community meetings, events and presentations as needed, including producing materials that promote and explain the new services, logistics and staffing. Majority of meetings and presentations to occur August through December 2010.
- c. CartSMART Families** **\$5,000**
Assist as needed with development and implementation of program to feature families adapting to the new services. Program to launch December 2010.
- d. Video Contest** **\$4,500**
Assist with developing and launching video contest promoting new services. The contest will be announced in February/March 2011, with winner(s) selected on Earth Day 2011.
- e. Surveys** **\$5,000**
Develop and implement phone and electronic surveys as needed to determine effectiveness of all campaign efforts and messaging.

EXHIBIT B – Compensation

1. Compensation

The maximum amount of compensation the SBWMA shall pay to the Consultant under this Master Agreement for Phase 2 shall not exceed \$570,000 in total for both professional services and reimbursable expenses.

The Consultant shall invoice the SBWMA at the end of each month for work performed during the previous month. The SBWMA shall pay the invoice within 30 days of receipt of invoice.

The invoices shall set forth a detailed description of the work completed, the number of hours worked and the applicable hourly rates. Reimbursable expenses, including but not limited to, printing, travel expenses, media monitoring, and duplication services, shall be billed as a separate line item on the invoice. Prior approval by the SBWMA is required on any reimbursable expense that is anticipated to exceed \$1,000 by the Consultant.

2. Fee Schedule

JSA Fee Schedule

SERVICE HOURLY RATE

Account Management	\$150.00
Account Coordination	\$100.00
Creative Concepts	\$150.00
Art Direction	\$150.00
Copywriting	\$125.00
Public Relations	\$125.00
Multicultural Services	\$125.00
Audio Production	\$150.00
Video Production	\$175.00
Web Design	\$125.00
Research	\$100.00



STAFF REPORT

To: SBWMA Board Members
From: Monica Devincenzi, Recycling Outreach & Sustainability Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving a Contract with Betsey Meyer for Public Outreach and Education Support Services for FY 2011

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-20 attached hereto authorizing the following action:

Authorize the Executive Director to execute the attached contract (**Exhibit A**) with Betsey Meyer for public outreach and education support services for FY 2011 for a not-to-exceed amount of \$77,000.

Analysis

The transition to the new residential collection services to be provided by Recology San Mateo County starting January 1, 2011 is the most significant programmatic change for the SBWMA Member Agencies since the initial inception of the services. To ensure a smooth transition, staff feels strongly that a multidimensional approach to the outreach efforts is needed, with a heavy emphasis on community engagement and grassroots efforts, including neighborhood meetings, recruiting volunteers and featuring families as the programs launch, among others. This approach will help generate excitement about the new collection services and foster advocates for the programs.

Staff has been working with Betsey Meyer, an independent environmental consultant, to develop the guidelines and parameters of such community engagement efforts. The community engagement efforts will be initiated in participating Member Agencies starting July 2010 and continue through next spring. Continued consultant support is needed for their implementation and management.

Staff will continue to seek input and work in collaboration with the Board, Member Agencies, the Public Education Committee and Recology to ensure that the specific needs of the communities are addressed. The committee is comprised of Board Vice Chair Brian Moura (San Carlos), Board Member Laura Galli (Foster City), Lillian Clark (Recycleworks/San Mateo County), and Roxanne Murray (San Mateo.)

Background

Betsey Meyer was retained by the SBWMA for the period of January 4 through June 30, 2010 for a not-to-exceed contract amount of \$25,000 to research and assist staff and Jeffrey Scott Agency (JSA), the firm approved by the SBWMA Board on November 19, 2009 to provide primary public outreach service, in developing the public outreach and education efforts, with a specific focus on the community engagement component.

A strategic communications work plan that includes advertising, media relations, collateral development and creative services, and community engagement was developed and reviewed by the Board and the Public Education Committee as part of the SBWMA's selection process for outreach services in 2009.

Fiscal Impact

The SBWMA Fiscal Year 2010/2011 proposed budget includes \$675,000 for outreach development and implementation for the new collection services. Of this amount, staff has negotiated a not-to-exceed amount of \$77,000, including expenses, for the contract with Betsey Meyer.

Attachments:

Resolution 2010-20

Exhibit A -- Professional Services Agreement with Betsey Meyer



RESOLUTION NO. 2010-20

**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT
WITH BETSEY MEYER FOR PUBLIC OUTREACH AND EDUCATION SUPPORT
SERVICES FOR FY 2011**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Betsey Meyer, sole proprietor, for the purpose of providing public outreach and education support services; and

WHEREAS, attached as Exhibit A hereto is an Agreement for Professional Services that the Board has reviewed.

NOW, THEREFORE, BE IT RESOLVED by the SBWMA Board of Directors hereby approves the Agreement with Betsey Meyer, Exhibit A hereto.

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 24th day of June, 2010, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2010-20 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel



AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **25th day of June 2010** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **Betsey Meyer, sole proprietor**, hereinafter "Consultant".

RECITALS

This Agreement is entered into with reference to the following facts and circumstances:

- A. That SBWMA desires to engage Consultant to render certain professional services in the SBWMA jurisdictions;
- B. That Consultant is qualified to provide such services to the SBWMA; and
- C. That SBWMA has elected to engage the services of Consultant upon the terms and conditions as hereinafter set forth.

TERMS AND CONDITIONS

1. Services

The services to be performed by Consultant under this Agreement shall be the ***Community Engagement Services*** as outlined in Exhibit A.

Performance of the work specified above is hereby made an obligation of Consultant under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of said Parties.

2. Term of Agreement

Said services shall commence on July 1, 2010 and shall continue through June 30, 2010. The term of the Agreement may be extended upon written agreement by both parties. Agreement can be terminated by either party with written thirty (30) day notice.

3. Compensation

Payment under this Agreement shall be as per Exhibit A, not to exceed **\$77,000**.

4. Authorization and Termination

This Agreement becomes effective when endorsed by both Parties in the space provided below.

5. Reliance on Professional Skill of Consultant

Consultant represents that it has the necessary professional skills to perform the services required and SBWMA shall rely on such skills of the Consultant to do and perform the work.

6. Relationship to Parties

It is understood that the relationship of Consultant to SBWMA is that of an independent contractor and all persons working for or under the direction of Consultant are its agents or employees and not agents or employees of the SBWMA.

7. Nonassignment

This Agreement is not assignable either in whole or in part.

8. Amendments

This Agreement may be amended or modified only by written agreement signed by both Parties.

9. Validity

The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

10. Government Law/Litigation

This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the Parties hereto over the terms or performance of this agreement the prevailing party shall be entitled to reasonable attorneys' fees and costs.

11. Mediation

Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties. If a mediated settlement is reached, neither Party shall be deemed the prevailing party for purposes of the settlement, and each Party shall bear its own legal costs. Mediation shall occur within 30 days of notice by either party, and if it does not occur within that period of time a legal action shall be permitted to be filed.

12. Entire Agreement

This Agreement, including Exhibit A, comprises the entire Agreement.

13. Indemnity

Consultant shall defend, indemnify and hold SBWMA and its officers, employees and agents harmless from any and all claims, damages, losses and expenses related to or as a result of intentional or negligent acts for which Consultant or its agents and employees are responsible.

14. Insurance

Consultant shall not commence work under this Agreement until all insurance required under this Paragraph has been obtained. Consultant shall furnish SBWMA with certificates of insurance evidencing the required coverage. The insurance shall be with a carrier that is licensed and in good standing in the State of California, and has an A.M. Best Co. rating of A/5 or better. The SBWMA will be named as additional insured in the policy. These certificates shall specify or be endorsed to provide that thirty (30) days notice must be given, in writing, to the SBWMA office of any pending change in the limits of liability or of any cancellation or modification of the policy.

a. Worker's Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire life of this Agreement Worker's Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, Consultant makes the following certification, required by Section 1861 of the California Labor Code:

I am aware of the provisions of Section 37900 of the California Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.

b. Liability Insurance

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of

such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

15. Notice

All notices required by this Agreement shall be given to SBWMA and Consultant in writing, by first class mail, postage prepaid, addressed as follows:

SBWMA: Kevin McCarthy, Executive Director
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Consultant: **Betsey Meyer**
460 Andrew Ave.
Encinitas, CA 92024
760-613-4643

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

DATED: _____, 2010

SBWMA

BY: _____
Kevin McCarthy, EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

DATED _____, 2010

Robert J. Lanzone, SBWMA ATTORNEY

CONSULTANT:

DATED: _____, 2010

BY: _____
SIGNED BY

NOTICE TO PROCEED

DATED _____, 2010

BY: _____
Jeannene Minnix Kingston, Board Secretary



EXHIBIT A (Scope of Work)

Betsey Meyer

Environmental Consultant

**SCOPE FOR COMMUNITY ENGAGEMENT CONSULTING SERVICES
July 1, 2010 through June 30, 2011**

1. Project Management

Project management will primarily take place between July 1 and December 31, 2010.

Deliverables:

- 1.1 Overall daily management and oversight of block leader community engagement functions
Project Management function expected to be 20 hours/month X 6 months @ \$140= **\$16,000**
- 1.2 Assist in management and oversight of other community engagement meetings
9 hours/month X 6 months @ \$140= **\$7,560**

2. Neighborhood Green Team Block Leader Program

Deliverables:

- 2.1 For the six potential targeted Member Agencies, contact and formalize collaborative relationships with Member Agency liaison, city affiliated and non-profit "Green Committees," Homeowner Associations, "Natural Champions" (with existing programs and infrastructure) and Member Agencies as directed by RethinkWaste staff.

Consultant anticipates initial contact (5-8 phone calls) with potential "partners and stakeholders" in each targeted Member Agency to explain recruitment and training and "formalize" their commitment/participation.

Initial phone call and e-mail outreach: 35 hours@ \$140/hr= **\$5,000**

- 2.2 Identify dates and venues for 6-12 training sessions.

RethinkWaste staff will handle all logistics (reserve space, provide refreshments, arrange for all A/V, printing, raffle prizes etc).

Coordination via phone and e-mail with RethinkWaste staff: 6 hours @ \$140/hr= **\$840**

- 2.3 Develop recruitment flyers and e-mails.

JSA will provide template and /or graphics for flyer. E-mails will be sent from RethinkWaste e-mail address with blind copy to meyer.betsey@gmail.com. RethinkWaste staff will handle distribution.

Preparation of text for flyer and e-mail blast: 2 hours@ \$140/hr= **\$280**

2.4 Develop training session flyers and e-mails.

JSA will provide template and /or graphics for flyer. E-mails will be sent from RethinkWaste e-mail address with blind copy to meyer.betsey@gmail.com. RethinkWaste staff will handle distribution.

Preparation of text for flyer and e-mail blast- 2 hours@ \$140/hr= **\$280**

2.5 Provide guidance and oversight to the RethinkWaste Volunteer Coordinator as needed.

After initial outreach, recruitment and training is completed, RethinkWaste staff will assume day-to-day volunteer coordination. This would include developing and maintaining a database of volunteers, logs, sign-in sheets etc. Staff would be the local point of contact for replenishment of any supplies, collaterals, basic Q&A, logistical support, etc.

Consultant would provide direction, trouble shooting, problem solving, and project management to RethinkWaste staff as needed or requested.

10 hours/month for 6 months @ \$140= **\$8,400**

2.6 Conduct 6-12 trainings between August 2010 and October 2010.

RethinkWaste and Member Agency staff will be available to attend, speak and help lead the trainings.

There will be 2-3 trainings scheduled in any particular week and these will be combined with other key meetings (Community Meetings, staff/team meetings, etc.) whenever possible.

The logistics for reserving the venue, scheduling the training, sending out flyers/e-mails, ordering refreshments, arranging for A/V, staffing a sign-in table etc., and producing the Block Leader manual would be handled by RethinkWaste staff.

Deliverables:

Consultant will

Provide a "pre-training" orientation for staff/other consultants

Provide the agenda, lead and/or facilitate the Block Leader training

Provide re-cap of issues/concerns and follow-up if needed

160 hours X \$140/hr= **\$22,500**

2.6a Participate in a maximum of 4 Recology community outreach team meetings and JSA meetings.

It is anticipated that Block Leader trainings, Community meetings, community events, team meetings, etc. will be scheduled concurrently to the extent possible to minimize travel expenses.

2.6b Attend a maximum of 4 RethinkWaste staff meetings as requested

These meetings will coincide with other outreach team meetings or activities.

2.6c Attend and facilitate up to 4 Community Meetings

These meetings will be concurrent with other community engagement tasks.

2.6d Attend and staff RethinkWaste booth at up to 4 Community events as requested.

These meetings will be concurrent with other community engagement tasks.

3. Develop metrics and measurement tools to gauge effectiveness of the program.

Deliverables:

Survey questions would be compiled by consultant and approved by RethinkWaste staff. Survey results would be forwarded to Consultant for compilation and tabulation along with any logs, sign-in sheets and database lists. Consultant will prepare memo with these results by February, 2011.

RethinkWaste would set up and subscribe to Survey Monkey for a minimum of 6 months.

35 hours@\$140/hr= **\$5,000**

4. Communication Tools-PowerPoint presentations

Deliverables:

Develop content/talking points for 2 basic PowerPoint presentations, one for residential and one for commercial.

JSA to provide the PowerPoint templates.

20 hours@\$140hr= **\$2,800**

5. Provide creative, technical and logistical support to RethinkWaste staff for the CartSMART Families

Deliverables:

Assist staff in the development of concept and scope (to include identification of family categories.)

Provide coaching, problem solving, coordination/facilitation with staff and families.

22 hours@\$140/hr= **\$3,080**

6. Advise and provide creative support to RethinkWaste staff in the development and implementation of a Video Contest

Deliverables:

Assess feasibility of YouTube Direct as vehicle for this contest

Brainstorm and help establish parameters for submissions

8 hours@\$140/hr= **\$1,120**

7. Website Upgrade

Deliverables:

Consultant will be responsible for compiling all Neighborhood Green Team Block Leader materials to hand-off to T324 for the creation of a distinct Block Leader page/section.

4 hours@\$140/hr= **\$560**

8. Consultant will provide technical review of messaging, future upgrades to website and stakeholder communication as requested by the Recycling Outreach and Sustainability Manager or Executive Director.

TOTAL CONTRACT AMOUNT: \$77,000 including expenses



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manager
Date: June 24, 2010 Board Meeting
Subject: Approval of Contract Change Order with JRMA for Construction Support Services

Recommendation

Approval of a change order for JRMA for \$145,000 for construction support services during Phase II Master Plan construction.

Analysis

JRMA has provided ongoing design and construction supports services during the Master Plan project. Funding for Phase II construction support services in the amount of \$369,000 was approved by the Board on July 23, 2009 (at the same meeting that Amoroso's construction contract was approved). The level of effort spent by JRMA in responding to Amoroso's questions on the drawings has exceeded the original budget amount for construction support services and JRMA has requested additional funds to continue to provide construction support services throughout the remainder of the construction project.

The reason that JRMA is exceeding their original budget estimate for construction support services relates back to the completeness of the construction drawings at the time of bidding. The bid-set Phase II construction drawings were prepared by JRMA prior to the Agency knowing the outcome of the Facility Operations contractor selection process or the final single stream equipment package design to be installed in the MRF building (the final equipment layout drawings were not completed by BHS until a year after the building bid-set documents were issued). By comparison, the Phase II construction bid-set documents were completed by JRMA and approved by the Board on February 26, 2009 and subsequently released to contractors for bidding (see below table for key dates related to final MRF building)

Date	Board Action / Description of event
February, 26, 2009	Board approves Phase II construction bid-set documents.
April 24, 2009	Board approves SBR as Facility Operator in final selection decision.
October 7, 2009	Board approves contract with BHS for single stream equipment purchase.
February 2010	Final BHS single stream equipment design layout.

JRMA created the MRF bid-set designs around equipment assumptions that only partially captured the requirements of the final BHS equipment layout - - both MRF electrical supply and MRF building foundation have needed substantial redesigned to accommodate the BHS single stream equipment (revised bid-set designs provided to Amoroso after the start of construction included: MRF electrical, foundation, City of San Carlos Building Department changes and redesigns to the transfer station education center). The design

revisions have delayed the MRF building, complicated the construction process for Amoroso, and required additional construction management time from all parties involved in the project.

JRMA has been responding to Amoroso's requests for information (RFI) about the design revisions at a rate of over 100 RFI's per month during the start of the project (December – April) and JRMA has issued numerous design clarifications over this period to provide construction detail to the contractor. By comparison, the current level of RFI's are below 30 per month and the complexity and time involved in to develop the responses to the RFI's is significantly lower. This high-level of construction support services provided by JRMA early on in the project has consumed funds that were budgeted to last the full 22 month term of the construction project.

The proposed additional \$145,000 in construction support service funds is based on a time and materials estimate negotiated with JRMA and assumes an average of 30 RFI's per month for the remaining 12 month of the project and a meeting/call schedule sufficient to closeout the construction project. No additional design funds are included in this change order.

Background

JRMA was hired to assist in the conceptual planning of the Shoreway Master Plan, to develop construction drawings for the Master Plan project, and to provide construction support services during Phase I and II of the construction. On July 23, 2009, the Board approved \$369,000 for JRMA for construction support services for Phase II of the Master Plan construction. The funds for construction support services were anticipated to last through Substantial Completion of the project (~22 months of construction).

The table below, lists all change orders that have been approved and those pending for JRMA since the start of Phase II Master Plan construction.

JRMA Change Orders since Start of Phase II Construction

CO#	Amount	Date	Description of Service
4	\$22,500	July 2009	Modify MRF electrical supply plan from 2,000 to 2,500 amps, review and redesign MRF to include SBR requested changes.
5	\$369,000	July 2009	Design support services during Phase II construction
6	\$71,965	May 2010	Delta 5 design- transfer station redesign: expanded PEMB and internal ed center.
7	\$36,920	Pending	Delta 8 & 9 design – transfer station closure of west wall bid-deduct, design of lean-to addition for western addition to transfer station w/o ed center.

Fiscal Impact

Sufficient funds are available within the master plan capital budget to pay for this change order.



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Authorizing Update to 401(a) Retirement Plan Language

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-21 attached hereto authorizing the following action:

Update the 401(a) Retirement Plan language.

Analysis

The Internal Revenue Service has issued instructions that require all qualified plans to be restated for various pension laws that have been passed in recent years. These new laws involve technical matters such as compensation limits, loan provisions, allowable vesting schedules, "key employee" and top heavy rules, etc. Attached is a frequently asked questions document regarding the changes.

There have been no changes to the basic benefit provisions offered to our employees. As a reminder, we have a non-PERS retirement plan similar to 401(k) plans in the private sector.

Fiscal Impact

There is no fiscal impact associated with the retirement plan language changes.

Attachments:

Resolution No. 2010-21

Exhibit A – SBWMA 401(a) Retirement Plan

Exhibit B -- EGTRRA Restatement FAQ May 2010

Exhibit C – Summary of EGTRRA Changes



RESOLUTION NO. 2010-21

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AUTHORIZING UPDATE TO 401(a) RETIREMENT PLAN LANGUAGE**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors hereby takes the following action with respect to the South Bayside Waste Management Authority 401(a) Plan, Exhibit A hereto (the Plan):

RESOLVED: That the Plan be adopted in the form attached hereto, which Plan is hereby adopted and approved;

RESOLVED FURTHER: That the Executive Director of the SBWMA is authorized and directed to execute the Plan on behalf of the SBWMA.

RESOLVED FURTHER: That Marshall Moran, the Finance Manager, and Kevin McCarthy, the Executive Director, are hereby appointed as the Trustees of the Plan; and

RESOLVED FURTHER: That the Executive Director of the SBWMA be, and hereby is, authorized and directed to take any and all actions and execute and deliver such documents as he may deem necessary, appropriate or convenient to effect the foregoing action including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 24th day of June, 2010, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2010-21 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel

Agenda Item 5H

Attachment: A

- ◆ SBWMA 401(a) Plan Document 2010
File too large to include with Packet

Report POSTED at www.rethinkwaste.org

EGTRRA Restatement

Frequently Asked Questions



What is EGTRRA?

EGTRRA is an acronym for the Economic Growth and Tax Relief Reconciliation Act which was signed into law by President Bush on June 7, 2001. EGTRRA included a large number of changes to qualified retirement plans.

What changes to my qualified plan document does EGTRRA require?

The following list highlights some of the changes required for an IRS-approved EGTRRA Restatement (a detailed list is at the end of this material):

- Limits increased:
 - Compensation limit to \$230,000 in 2008
 - Elective deferral limit to \$15,500 in 2008
 - Defined benefit annual limit to \$185,000 in 2008
 - Defined contribution limit to \$46,000 in 2008
 - Deduction limit to 25% of compensation
- Loan programs can include sole proprietors, partners, and S corporation shareholders
- Identifying "key employees" no longer requires use of the 4 year look-back rule
- To be considered an officer, an employee must earn more than \$130,000
- Matching contributions are now counted toward satisfying the top-heavy minimums
- A safe harbor 401(k) plan is generally deemed to not be top-heavy
- Elective deferrals are no longer considered under §404 deduction limits
- 401(k) and 403(b) plans can permit Roth deferrals
- Participants who are age 50 or older can make catch-up contributions
- Vesting schedules maximums: 3 year cliff or 6 year graded
- The hardship prohibition for making elective deferrals is now a 6 month period
- Rollover amounts can be ignored when calculating cash-outs

Why do we have to restate our qualified plan document?

When Congress enacts significant changes to the law, the IRS requires retirement plan sponsors to re-write their plan documents to reflect the regulatory and legislative changes. This is commonly known as "restating" your

plan. The last restatement that took place was in 2001 to conform to the changes required by GUST.

Going forward, the IRS has developed a new system to help control their workflow. The IRS's system requires individually designed plans to restate their qualified plans every 5 years and prototype and volume submitter plans ("pre-approved plans") to restate their qualified plans every 6 years.

We paid for EGTRRA amendments, why do we have to restate our plan documents?

When new regulations are issued or new legislation is enacted, the Treasury Department requires plan sponsors to quickly amend their plan document to reflect these changes as "good faith" compliance with the law. During the restatement cycle, the IRS requires plan sponsors to fully incorporate all regulatory and voluntary plan amendments into the qualified plan document itself.

Once you have several tack-on amendments, your qualified plan document becomes more confusing to interpret. The IRS has stated that the more amendments you have, the more complex your qualified plan becomes, and the likelihood of mistakes increases dramatically. For these reasons, the Treasury Department requires that all qualified plans be restated for EGTRRA.

What types of qualified plans must be restated due to EGTRRA?

All qualified plans must be restated. This includes prototype plans, volume submitter plans, and individually designed plans.

What happens if we do not restate our qualified plan for EGTRRA?

If you do not restate your plan it will no longer be a "qualified" plan. Since your plan would no longer be in compliance with the law, it would lose its tax-favored status, causing the following repercussions:

- You would lose the deductibility of employer contributions to the plan;
- Your employees' vested account balances would become immediately taxable; and
- The trust would lose its tax-exempt status and become a taxable trust.

All of these events are unacceptable and can be avoided by restating your plan document as required by the Treasury Department.



The following is a detailed list of changes required by the Treasury Department in an EGTRRA Restatement:

The list is organized by the corresponding code section of the Internal Revenue Code.

1. *72(p)*: Section 1.72(p)-1 of the Income Tax Regulations relating to plan loans was published on December 3, 2002 (67 Fed. Reg. 71821). (2004 C. L.).
2. *401(a)*: Final Regulations under § 401(a) of the Code regarding permissible normal retirement ages were published May 22, 2007 (72 Fed. Reg. 28604). (2006 C. L.).
 - Notice 2007-69, 2007-35 I.R.B. 468, provides temporary relief, until the first day of the first plan year that begins after June 30, 2008, for certain pension plans under which the definition of normal retirement age may be required to be changed to comply with the regulations. Accordingly, the final regulations will not be taken into account in the Service's review of plans submitted for determination letters during the Cycle C submission period unless the plan, by its terms, is ineligible for the relief under Notice 2007-69 or the relief ends for the plan before December 31, 2008. (New).
3. *401(a)(4)*:
 - Amendments to § 1.401(a)(4)-8 of the Regulations relating to new comparability plans were published on June 29, 2001 (66 Fed. Reg. 34535). (2004 C. L.).
 - Rev. Rul. 2001-30, 2001-2 C.B. 46. (2004 C. L.).
 - Amendments to § 1.401(a)(4)-9 of the Regulations relating to new comparability plans were published on June 29, 2001 (66 Fed. Reg. 34535). (2005 C. L.).
 - Rev. Rul. 2004-21, 2004-1 C.B. 544. (2005 C. L.).
4. *401(a)(9)*:
 - Sections 1.401(a)(9)-1 through -9 of the Regulations were published on April 17, 2002 and June 15, 2004 (67 Fed. Reg. 18988 and 69 Fed. Reg. 33288). (2004 C. L.).
5. *401(a)(17)*:

Section 401(a)(17) of the Code was amended by § 611(c) of EGTRRA to increase the compensation limit to \$200,000. (2004 C. L.).

 - Notice 2001-56, 2001-2 C.B. 277. (2004 C. L.).
6. *401(a)(31)*:
 - Section 401(a)(31) was amended by § 643(b) of EGTRRA to allow employees' after-tax contributions to be rolled over under certain circumstances. (2004 C. L.).
 - Section 401(a)(31)(B) was amended by § 657(a) of EGTRRA (as amended by § 411(t) of JCWAA) to provide for the automatic rollover of certain mandatory distributions. The effective date is March 28, 2005. (2004 C. L.).
 - Notice 2005-2, 2005-1 C.B. 337. (2004 C. L.).
 - Sections 641, 642 and 643 of EGTRRA (as amended by § 411(q) of JCWAA) amended the definition of eligible retirement plan in § 402 of the Code to include a § 403(b) annuity contract and eligible governmental § 457(b) plan. (2004 C. L.).
 - Section 636(b) of EGTRRA modified the definition of eligible rollover distribution to exclude hardship distributions. (2004 C. L.).
7. *401(k) & 401(m)*:
 - Section 401(k)(2) and § 401(k)(10) of the Code were amended by § 646(a)(1) of EGTRRA to permit distributions of elective deferrals from a § 401(k) plan upon severance from employment. (2004 C. L.).
 - Notice 2002-4, 2002-1 C.B. 298. (2004 C. L.).
 - Section 636(a) of EGTRRA directed the Secretary of the Treasury to revise the regulations relating to safe harbor hardship distributions of elective deferrals from § 401(k) plans so that the time the employee is prohibited from making elective and employee contributions is reduced from one year to six months after a hardship distribution. (2004 C. L.).
 - Notice 2001-56. (2004 C. L.).



- Notice 2002-4. (2004 C. L.).
- Section 401(k)(11) of the Code was amended by § 611(f) of EGTRRA to increase the maximum amount of qualified salary reduction contributions that can be made to SIMPLE 401(k) plans. (2004 C. L.).
 - Section 402(g) of the Code was amended by § 611(d) of EGTRRA to increase the applicable dollar amount. (2004 C. L.).
 - Section 401(m)(9) of the Code was amended by § 666 of EGTRRA to eliminate the multiple use test. (2004 C. L.).
 - Final Regulations under § 401(k) and § 401(m) of the Code were published on December 29, 2004 (69 Fed. Reg. 78144). (2004 C. L.).
 - Announcement 2007-59, 2007-25 I.R.B. 1448, provides that a plan will not fail to satisfy the requirements of a § 401(k) safe harbor plan because of a mid-year change to implement a designated Roth contribution program. (New).
8. *402A*: Section 402A of the Code was added by § 617 of EGTRRA to offer optional treatment of elective deferrals as designated Roth contributions to defined contribution plans, effective for taxable years beginning after December 31, 2005. (2004 C. L.).
- Final Regulations under § 401(k) and § 401(m) of the Code relating to designated Roth contributions were published on January 3, 2006 (71 Fed. Reg. 6). (2005 C. L.).
 - Notice 2006-44, 2006-1 C.B. 889, provides a sample amendment for Roth § 401(k) plans. (2006 C. L.).
 - Final Regulations under § 402A of the Code were published on April 30, 2007 (72 Fed. Reg. 21103). (2006 C. L.).
9. *404*:
- Section 404(k)(2)(A) of the Code was amended by § 662(a) of EGTRRA (as amended by § 411(w) of JCWAA) to allow ESOP dividends to be reinvested without the loss of dividend deductions. (2005 C. L.).
 - Notice 2002-2, 2002-1 C.B. 285, provides guidance with respect to the changes made to § 404(k) of the Code and on the effective date of § 409(p) of the Code. (2005 C. L.).
10. *408(q)*: Section 408(q) of the Code was added by § 602 of EGTRRA (as amended by § 411(i) of JCWAA) to allow for deemed individual retirement accounts (IRAs) in an eligible retirement plan. (2004 C. L.).
- Section 1.408(q)-1 of the Regulations was published on July 22, 2004 (69 Fed. Reg. 43735). (2004 C. L.).
11. *409*: Section 409(p) of the Code was added by § 656 of EGTRRA relating to restrictions on the allocation of employer securities in an ESOP maintained by an S corporation. (2005 C. L.).
- Section 1.409(p)-1T of the Regulations was published on July 21, 2003 (68 Fed. Reg. 42970). (2005 C. L.).
 - Section 1.409(p)-1T of the Regulations was published on December 17, 2004 (69 Fed. Reg. 75455). (2005 C. L.).
 - Rev. Proc. 2003-23, 2003-1 C.B. 599, as modified and superseded by Rev. Proc. 2004-14, 2004-1 C.B. 489, allows a direct rollover from an ESOP maintained by an S corporation to an individual retirement account (IRA). (2005 C. L.).
 - Rev. Rul. 2003-6, 2003-1 C.B. 286, provides guidance with respect to whether an ESOP maintained by an S corporation is eligible for the delayed effective date of § 409(p) under § 656(d)(2) of EGTRRA. (2005 C. L.).
 - Rev. Rul. 2004-4, 2004-1 C.B. 414, provides guidance relating to synthetic equity owned by a disqualified person in a nonallocation year of an ESOP maintained by an S corporation. (2005 C. L.).
 - Final Regulations were published on December 20, 2006 (71 Fed. Reg. 76134) that provide guidance concerning requirements under § 409(p) for ESOPs holding stock of S corporations. (2006 C. L.).
12. *410(b)*: Final Regulations were published on July 21, 2006 (71 Fed. Reg. 41357) permitting some employees of tax-exempt organizations to be excluded when determining whether a § 401(k) plan meets the § 410(b) minimum coverage requirements. (2006 C. L.).
13. *411(a)*:
- Section 411(a) of the Code was amended by § 633 of EGTRRA (as amended by § 411(o) of JCWAA) to provide for faster vesting of matching contributions. (2004 C. L.).
 - Rev. Rul. 2003-65, 2003-1 C.B. 1035. (2005 C. L.).
 - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to the interaction between the anti-cutback rules of § 411(d)(6) and the nonforfeitability requirements of § 411(a). (2006 C. L.).



14. *411(a)(11)*: Section 411(a)(11)(D) of the Code was added by § 648(a) of EGTRRA (as amended by § 411(r) of JCWAA) to allow amounts attributable to rollover contributions to be disregarded in determining the value of an account balance for involuntary distributions. (2004 C. L.).
15. *411(d)(3)*:
 - Rev. Rul. 2007-43, 2007-28 I.R.B. 45, provides guidance regarding the partial termination of a defined contribution plan. (New).
16. *411(d)(6)*:
 - *Central Laborers' Pension Fund v. Heinz*, 124 S. Ct. 2230 (2004). (2005 C. L.).
 - Rev. Proc. 2005-23, 2005-1 C.B. 991, as modified by Rev. Proc. 2005-76, 2005-2 C.B. 1139. (2005 C. L.).
 - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to the interaction between the anti-cutback rules of § 411(d)(6) and the nonforfeitability requirements of § 411(a). (2006 C. L.).
 - Section 645(b)(3) of EGTRRA directed the Secretary of the Treasury to issue regulations under § 411(d)(6)(B). (2005 C. L.).
 - Section 1.411(d)-3 of the Regulations was published on August 12, 2005 (70 Fed. Reg. 47109). (2005 C. L.).
 - Amendments to § 1.411(d)-3 of the Final Regulations were published on August 9, 2006 (71 Fed. Reg. 45379) with respect to a utilization test. (2006 C. L.).
 - Section 411(d)(6)(D) and § 411(d)(6)(E) of the Code were added by § 645 of EGTRRA to permit the elimination of certain optional forms of benefit under certain conditions. (2005 C. L.).
 - Section 1.411(d)-4, Q&A-2(e) of the Regulations was published on January 25, 2005 (70 Fed. Reg. 3475) to implement § 411(d)(6)(E). (2005 C. L.).
17. *412*:
 - Rev. Rul. 2004-20, 2004-1 C.B. 546, provides guidance with respect to whether a qualified pension plan can be a § 412(i) plan if the plan holds life insurance contracts and annuity contracts for benefits at normal retirement age in excess of a participant's benefits at normal retirement age under the plan. (2005 C. L.).
 - Notice 2004-59, 2004-2 C.B. 447, provides guidance with respect to restrictions placed on plan amendments following an employer's election of an alternative deficit reduction contribution. (2005 C. L.).
18. *414(v)*: Section 414(v) of the Code was added by § 631 of EGTRRA (as amended by § 411(o) of JCWAA) to allow for catch-up contributions for individuals age 50 or older. (2004 C. L.).
 - Regulations under § 414(v) were published on July 8, 2003 (68 Fed. Reg. 40510). (2004 C. L.).
 - Notice 2002-4. (2004 C. L.).
19. *415*:
 - Section 415(b) of the Code was amended by § 611 of EGTRRA to increase the dollar limit and change the age when the limit is reduced or increased. (2005 C. L.).
 - Rev. Rul. 2001-51, 2001-2 C.B. 427. (2004 C. L.).
 - Section 415(b)(2)(E)(ii) of the Code was amended by § 101(b)(4) of PFEA to fix the percentage at 5.5%. (2005 C. L.).
 - Notice 2004-78, 2004-2 C.B. 879, provides the actuarial assumptions that must be used for distributions with annuity starting dates occurring during the plans years beginning in 2004 and 2005. (2005 C. L.).
 - Section 415(c) of the Code was amended by §§ 611(b) and 632 of EGTRRA (as amended by § 411(p) of JCWAA) to increase the maximum annual additions permitted to the lesser of \$40,000 or 100% of compensation. (2004 C. L.).
 - Rev. Rul. 2001-51, 2001-2 C.B. 427. (2004 C. L.).
 - Rev. Rul. 2002-27, 2002-1 C.B. 925, provided that "compensation" within the meaning of § 415(c) could in certain situations include "deemed § 125 compensation". (2004 C. L.).
 - Final Regulations under § 415 with respect to pre-PPA '06 law were published April 5, 2007 (72 Fed. Reg. 16878). (2006 C. L.).
 - See section VI of this notice for PPA '06 provisions related to § 415 that are reflected in the § 415 Final Regulations. (2006 C. L.).



20. *416*: Section 416 of the Code was amended by § 613 of EGTRRA (as amended by § 411(k) of JCWAA) to make several changes to the top-heavy rules. (2004 C. L.).
 - Section 416(g)(4)(H) of the Code was added by § 613(d) of EGTRRA to provide certain safe harbor § 401(k) plans and § 401(m) plans an exemption from the top-heavy rules. (2004 C. L.).
 - Rev. Rul. 2004-13, 2004-1 C.B. 485. (2004 C. L.).
 - Section 416(c)(1)(C) of the Code was amended by § 613(e) of EGTRRA (as amended by § 411(k)(1) of JCWAA) to provide when a frozen defined benefit plan is exempt from the minimum benefit requirements. (2005 C. L.).
21. *417*:
 - Section 1.417(e)-1 of the Regulations was published on July 16, 2003 (68 Fed. Reg. 41906) relating to retroactive annuity starting dates. (2005 C. L.).
 - Final Regulations under § 417(a)(3) were published on March 24, 2006 (71 Fed. Reg. 14798) regarding the disclosure of the relative value of optional forms of benefit. (2006 C. L.).
22. *420(c)(3)(A)*: Section 6613 of the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, amends § 420(c)(3)(A) regarding minimum cost requirements for transfers of excess pension assets to retiree health accounts. (New)
23. *4975*:
 - Section 4975 of the Code was amended by § 612 of EGTRRA to allow plan loans for Subchapter S shareholder-employees, partners, and sole proprietors. (2004 C. L.).
 - Section 4975(f) of the Code was amended by § 240 of AJCA to allow an S corporation distribution on allocated shares to pay off an exempt loan as long as equal amounts are allocated to participant accounts. (2005 C. L.).
24. *Hurricane Relief*:
 - Katrina Emergency Tax Relief Act of 2005, Pub. L. 109-73. (2005 C. L.).
 - Notice 2005-92, 2005-2 C.B. 1165. (2005 C. L.).
 - Announcement 2005-70, 2005-2 C.B. 682. (2005 C. L.).
 - Gulf Opportunity Zone Act of 2005, Pub. L. 109-135, added § 1400M and § 1400Q to the Code to provide certain tax benefits to those areas affected by Hurricanes Katrina, Wilma, and Rita. (2006 C. L.).
25. *Miscellaneous*:
 - Rev. Rul. 2001-62, 2001-2 C.B. 632, provides guidance with respect to the mortality table under § 415(b)(2)(E)(v) of the Code and the applicable mortality table under § 417(e)(3)(A)(ii)(I) of the Code. (2005 C. L.).
 - Rev. Rul. 2002-42, 2002-1 C.B. 76, provides guidance with respect to a situation where a money purchase pension plan is merged or converted into a profit sharing plan. (2004 C. L.).
 - Rev. Proc. 2002-21, 2002-1 C.B. 911, provides guidance with respect to defined contribution retirement plans maintained by professional employer organizations. (2004 C. L.).
 - Rev. Proc. 2003-86, 2003-2 C.B. 1211, amplifies Rev. Proc. 2002-21 relating to relief provided for certain defined contribution plans maintained by professional employer organizations. (2004 C. L.).
 - Rev. Rul. 2003-11, 2003-1 C.B. 285, provides guidance with respect to satisfying the nondiscrimination rules under § 401(a)(4) of the Code and the minimum coverage requirements under § 410(b) of the Code when applying the increased compensation limit to former employees. (2005 C. L.).
 - Rev. Rul. 2004-10, 2004-1 C.B. 484, provides guidance with respect to charging administrative expenses to former and current employees. (2004 C. L.).
 - Rev. Rul. 2004-12, 2004-1 C.B. 478, provides guidance with respect to the distribution restrictions applicable to rollover contributions. (2004 C. L.).
 - Rev. Rul. 2005-55, 2005-2 C.B. 284, provides guidance with respect to medical reimbursement accounts under a profit sharing plan. (2005 C. L.).
 - Section 1.401(a)-21 of the Final Regulations were published on October 20, 2006 (71 Fed. Reg. 61877) setting forth standards for the use of an electronic medium to applicable notices to recipients or to make participant elections. (2006 C. L.).

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
401(A) PLAN
SUMMARY OF EGTRRA CHANGES

Increase in Compensation Limit. The compensation limit is increased from \$170,000 to \$200,000, and increased annually with cost of living increases (\$245,000 in 2010).

Increase in Defined Contribution Benefit Limit. The defined contribution benefit limit is increased to the lesser of \$40,000 or 100% of compensation. The \$40,000 limit is increased annually with cost of living increases (\$49,000 in 2010).

Eligible Rollover Distributions. The following changes are made to the eligible rollover distribution rules:

403(b) plans and governmental 457 plans are now eligible retirement plans.

An employee's surviving spouse may roll over a distribution to a qualified plan in the same manner as if the spouse were the employee.

Hardship distributions are not eligible rollover distributions.

Rollovers of after-tax contributions from a qualified plan are allowed if separate accounting is maintained for the after-tax funds.

Top-Heavy - Value of Accrued Benefit. In determining present value of an accrued benefit or the amount of an employee's account for Top Heavy purposes, the present value of a terminated participant's benefit as of the determinant date is only increased by distributions in the previous year.

Top-Heavy - New Key Employee Definition. The key employee definition changes and is now limited to: (1) an officer with compensation in excess of \$130,000 (annually adjusted in \$5,000 increments); (2) a 5-percent owner; or (3) a 1-percent owner with compensation in excess of \$150,000.

Top Heavy Minimum Allocation. Matching contributions may be taken into account for purposes of determining whether the 3% top-heavy minimum allocation is met.

Distribution without Participant Consent. Employers may disregard rollovers for determining whether a participant's account may be distributed without consent.

Rollovers:

Rollovers of taxable distributions from IRAs, 403(b) plans and governmental 457 plans into a qualified plan are permitted.

Rollovers of after-tax contributions from a qualified plan are allowed if separate accounting is done for the after-tax funds.

Self-Employed Plan Loans. Plan loans may be made from qualified plans to subchapter S corporation owners, partners and sole proprietors without incurring an excise tax under Code 4975.

Deductible ESOP Dividends. Dividends paid on employer securities held in an ESOP will be deductible if participants may elect to either have the dividends distributed to them or paid to the plan and reinvested in qualifying employer securities.

V4.02-4.02

Allied Waste Update

Agenda Item 5I
Part I - 20 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 TS and MRF (T20) decreased to 26 hours per day in May from 31 hours per day in the previous month. Roof repair work at the Transfer Station is scheduled to begin again in June. With this roof repair work, we anticipate the need to run additional transfer trucks on Saturdays in order to maintain a clear floor to mitigate potential issues with vectors. This construction with the expected increase in public volumes should cause overtime to increase in June and then continue to increase through the remainder of the summer.

Overtime Hours per Day (Collection Operations)

Overtime hours per day for the collection operation (925) in May decreased slightly from 42 hours per day to 41 hours per day. This represents a 2.4% decrease in month over month in overtime hours per day. As anticipated, overtime hours per day has remained very consistent for the past four months ranging from 39 hours per day to 42 hours per day. Recording 41 hours of overtime per day is well below the previous 12-month average of 54 hours per day. We do expect this number to increase slightly over the next several months as we begin to enter summer and heavy vacation schedules.

Average Weekly Delayed Pickups

The average weekly number of delayed pickups for the month of May decreased slightly month over month, moving from 63 to 60. Moderate increases and decreases in this number are expected due to the high number of variables, both internal and external, that can have an impact on this metric (i.e., vacation schedules, late set outs, etc.). The average weekly number of delayed pickups for May 2010 (60) out performs our average weekly number of delayed pickups for the previous 12-months of approximately 75. The average weekly number of delayed pickups in May 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 May were recorded at 0. The number of missed pickups in May out performs the previous 12-month average of 1.58 missed pickups. 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 May increased slightly to 7 seconds from 6 seconds in the previous month. This represents a 33% reduction in average hold time from the month of March. A 7 second average hold time easily achieves the goal of 30 seconds and out performs the previous 12-month average of 12 seconds. We anticipate average hold times to increase slightly in June due to Foster City and Belmont residents receiving their bill reflecting the recent rate increases, as well as the Cart Smart brochure being mailed.



Calls Answered in 30 Seconds

Calls Answered in 30 Seconds for the month of May decreased slightly from 94% to 93%. This number is above the industry standard of 80%. Our performance in this area is in direct correlation with our performance with average hold time. Those contributing factors, which drive average hold time, are also going to drive our performance against this measurement. This number is slightly above our previous 12-month average of 90%. As expected, service levels in May dipped slightly due to the mailing of East Palo Alto's Prop 218 notices and Atherton, Menlo Park, and San Carlos residents receiving their bills reflecting recent rate increases. We anticipate June numbers to dip slightly as well due to the departure of two Customer Service Representatives transferring to other Allied Divisions.

Calls Answered in 90 Seconds

The percentage of Calls Answered in 90 Seconds increased to 100% in the month of May. 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. We expect this number to remain consistent in May with the previous 12-month trend.

Abandoned Call Percentage

Our abandon rate for the month of April decreased slightly to less than 1%. As with most of the call center metrics reported, our performance in this area is dictated by our performance in other key call center metrics (i.e., average hold time, calls answered in 30 seconds, and calls answered in 90 seconds). An abandon rate of less than 1% meets our abandon rate goal of 3.0% or less and is below our previous 12-month average of 1.66%. We anticipate this number to increase slightly in the coming months due to staffing reductions through attrition; however, we do anticipate this number to remain relatively consistent into the foreseeable future.

Total Calls by Month

Total Calls by Month for May decreased by 3.49% to 15,138. This is approximately 7.23% lower than our average call volume for the previous 12 months of 15,748. Call volume is expected to increase in June due to Foster City and Belmont rate increases, as well as the Cart Smart brochure being mailed.

Self-Haul Ratio

May 2010 yards per ton ratio was 3.00. This is the second consecutive month of improvement in this metric. We will continue to focus our efforts in achieving this metric by performing spot checks on scale tickets for self haul customers. Specifically, after customers have paid to tip their load, but prior to entering the Transfer Station, one of Allied's management personnel will verify that the customer was accurately charged for the amount of yardage by Scale House personnel. If an issue is noted, management will follow up with the Scale House Attendant and use coaching or step discipline to correct any issues discovered.



C&D Recycling Performance

May 2010 netted 3,171 tons of C&D materials. Year to date, the C&D tonnage has increased 55% compared to 2009. The Transfer Station is on pace to have its best C&D year since the inception of the program. Allied continues to focus its employees on opportunities to pull this material out of the MSW pile inside the transfer station and these efforts are proving to be successful.

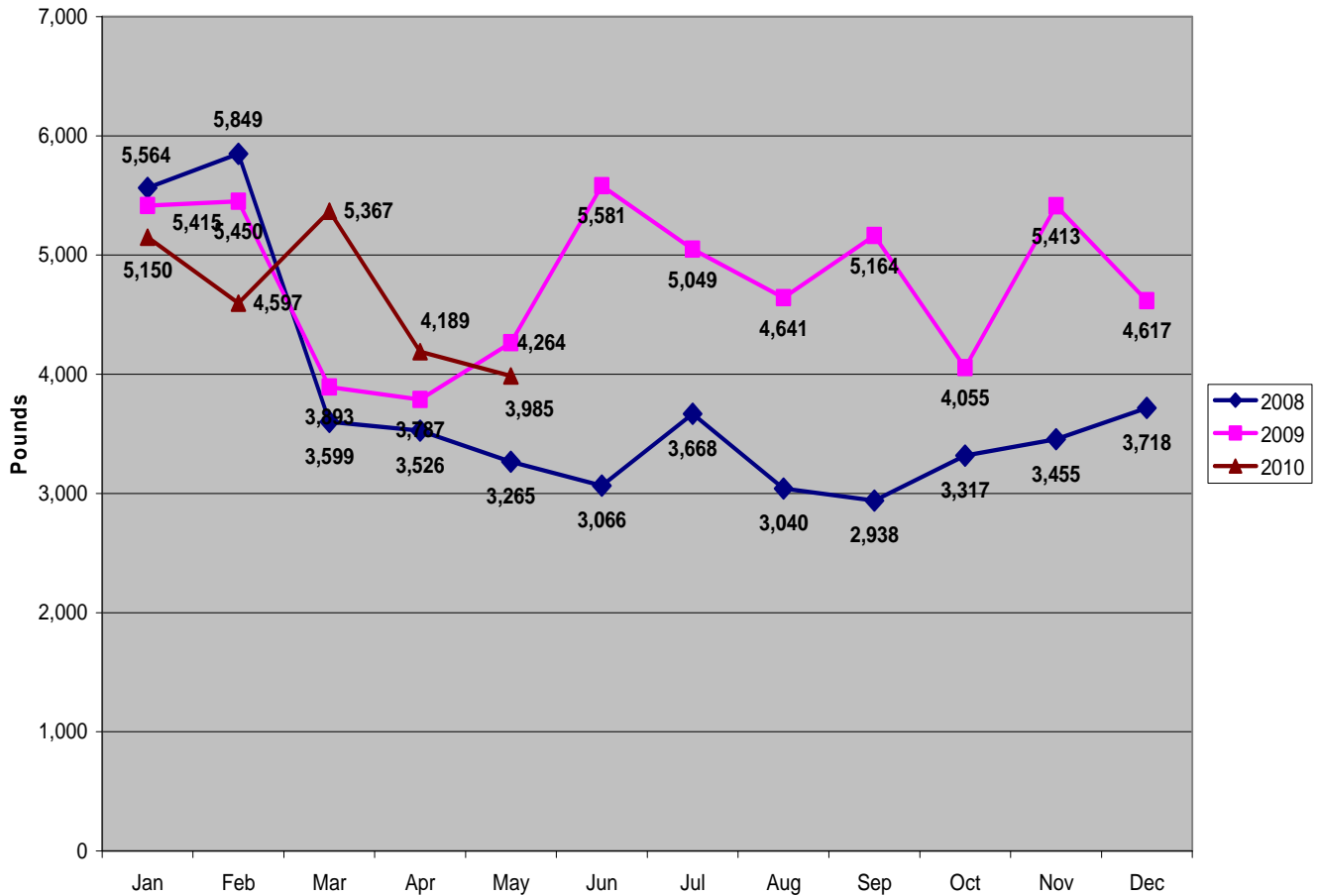
South Bayside Transfer Station C & D Tons to Zanker Road						
	2005	2006	2007	2008	2009	2010
Jan	1,246.98	639.26	1585.44	1,693.36	1,607.03	1,987.49
Feb	1,618.18	1,369.73	1337.82	1,530.43	1,424.63	2,376.66
Mar	2,182.49	1,461.86	1605.41	1,574.55	1,723.11	3,234.62
Apr	1,100.82	1,361.47	1749.16	2,461.99	2,058.04	2,623.64
May	1,102.71	2,208.81	2226.75	2,354.57	1,828.76	3,171.45
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	13,393.86



Battery Collection Performance

Residential curbside collection weight for household batteries and cell phones for all jurisdictions in May 2010 was 3,985 pounds.

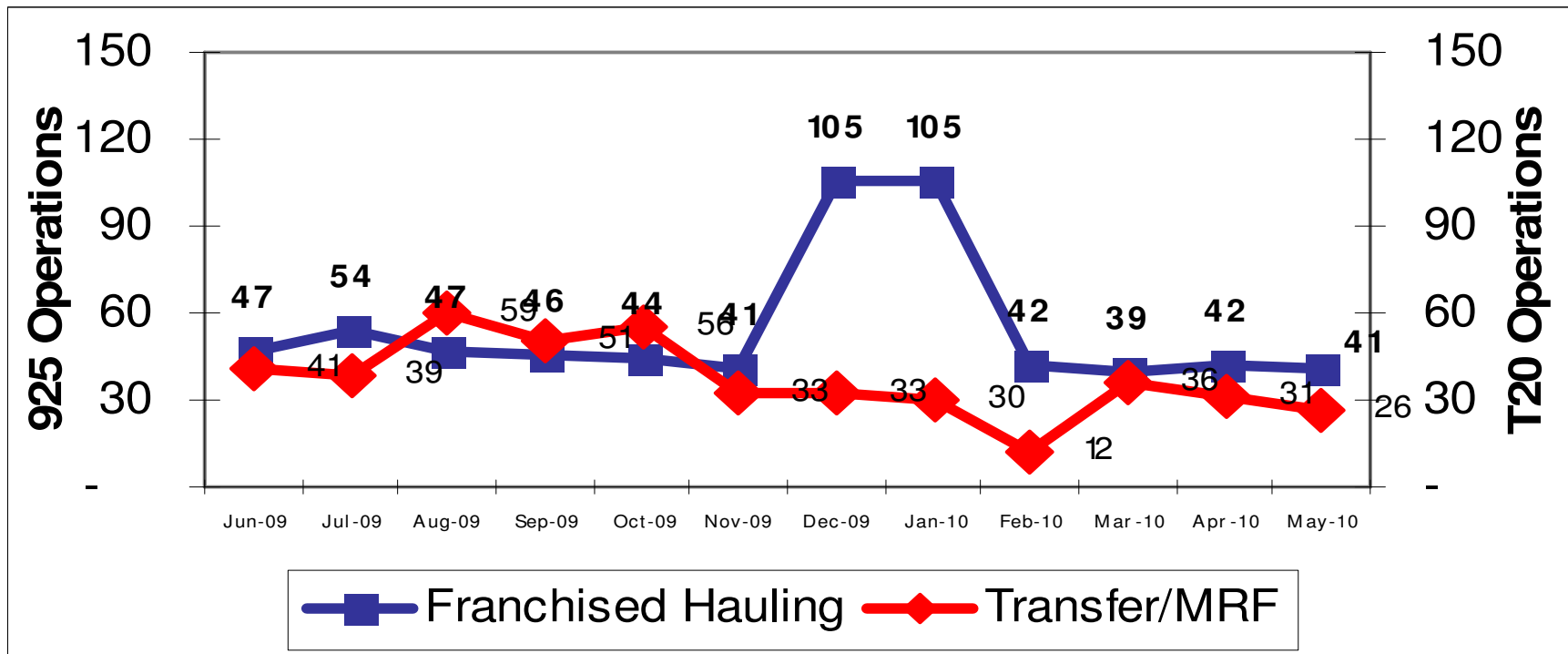
Residential Curbside Cell Phone & Battery Collection



2010 HEADCOUNT BY MONTH FOR ALLIED WASTE OF SAN MATEO COUNTY

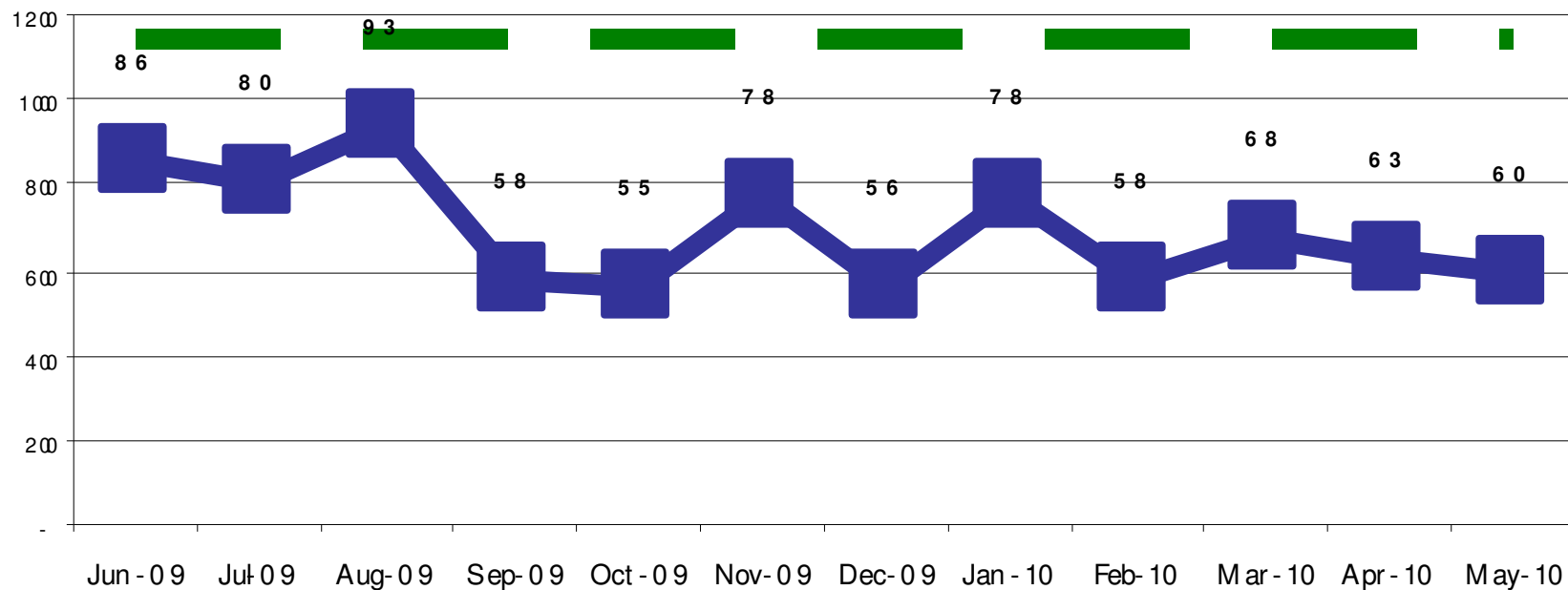
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
UNION												
Collection Drivers	221	220	219	219	218							
Transfer Drivers	21	21	21	21	21							
Sorters/Spotters	17	17	17	16	17							
Scale Attendants	4	4	4	4	4							
Buy Back Attendants	2	2	2	2	2							
Equipment Operators	7	7	7	7	7							
Mechanics	30	30	29	29	29							
Customer Service Reps	13	13	13	13	13							
Accounting (i.e., Billing, A/R, A/P, etc)	9	9	9	9	9							
Clerks (Dispatch, Operations, Maint.)	9	9	9	9	9							
NON-UNION												
G&A (Admin, Supervisors, Managers)	26	26	26	26	25							
Recycling Coordinators	5	5	5	5	5							
TOTAL	364	363	361	360	359							

Collection Driver and Transfer/MRF Operations Overtime Hours Per Day



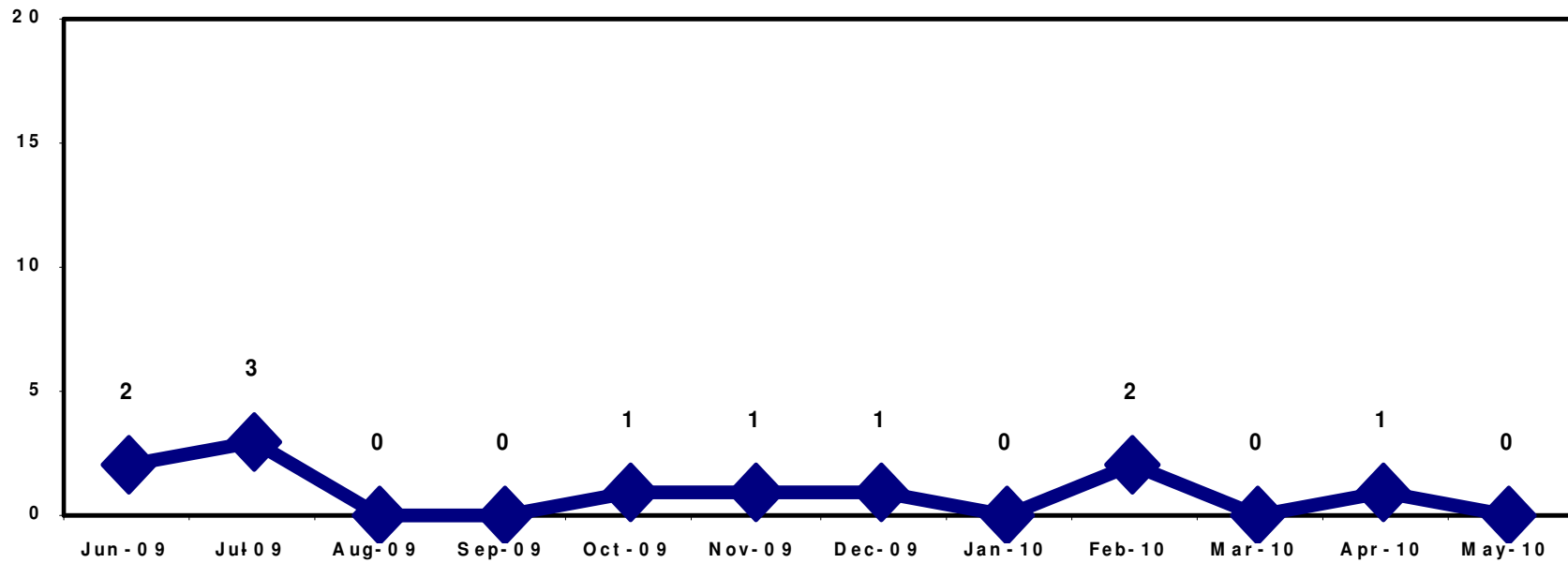
Average Weekly Delayed Pickups

Service Standard is 114 Total



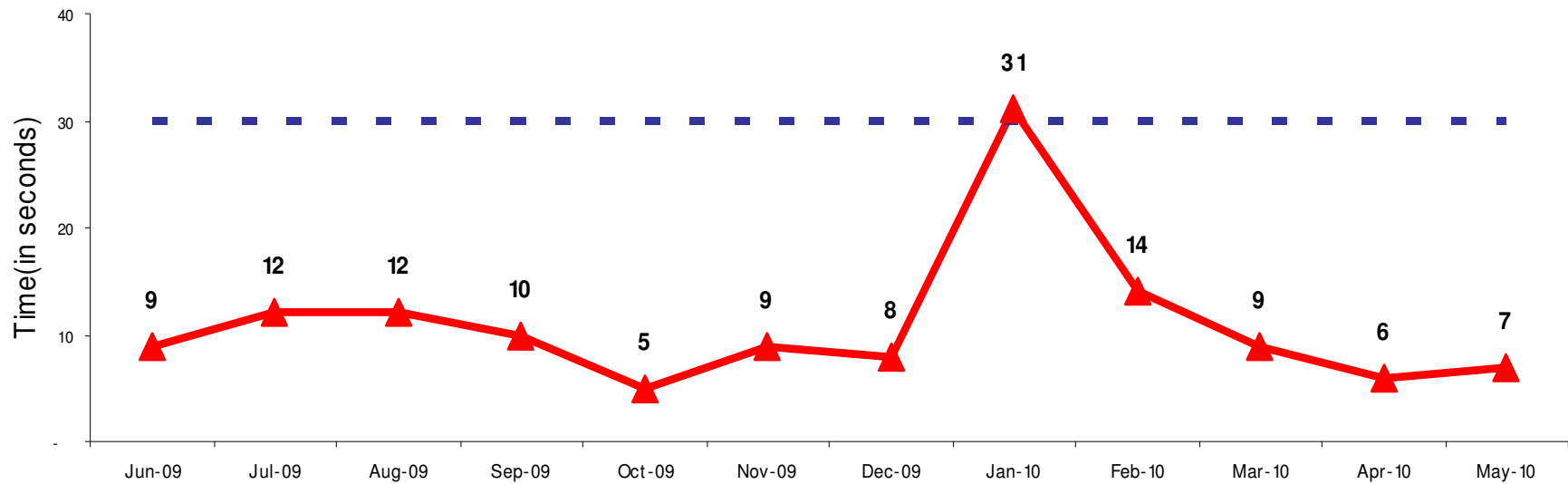
Note: Service Standard is 1 missed pick up per 1000 residential customers and 2 missed pick ups per 1000 commercial customers.

Monthly Missed Pick Ups



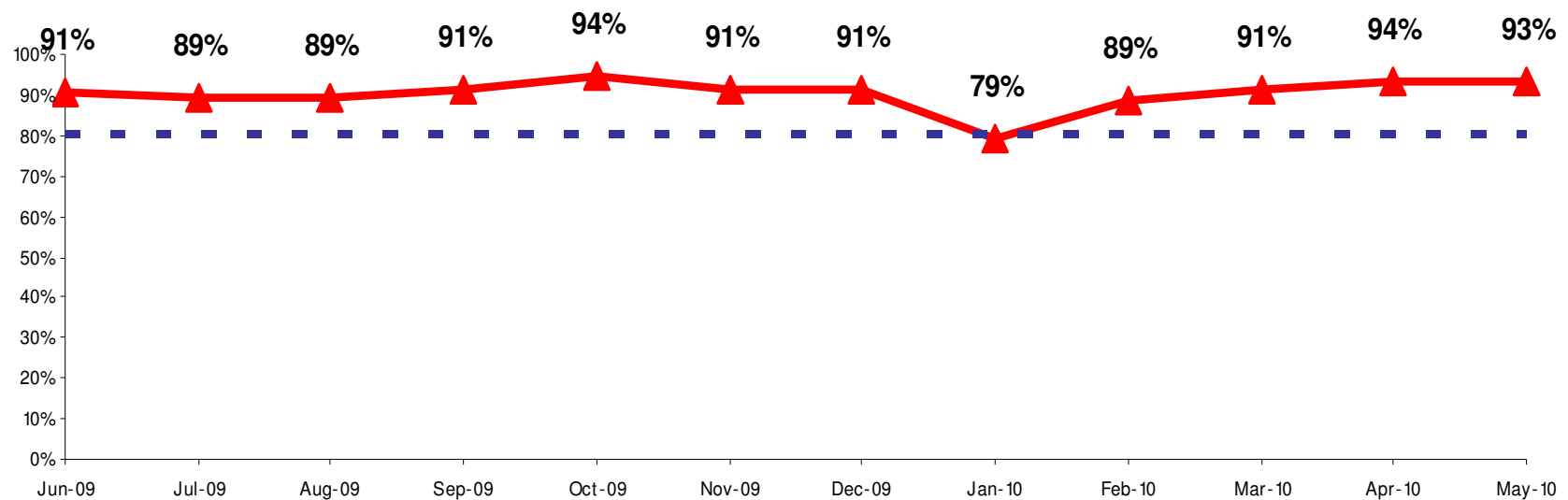
Customer Service Average Hold Time

30 Second Service Standard



Customer Service Percentage of Calls Answered in 30 Seconds

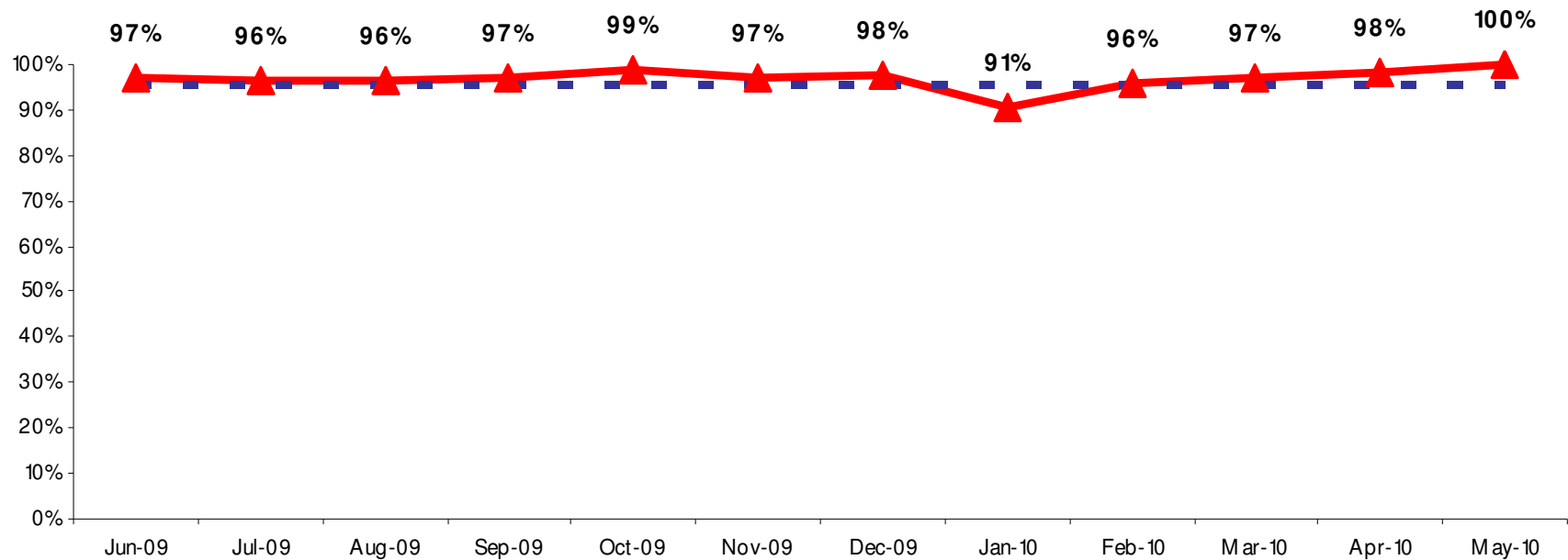
80% Service Standard





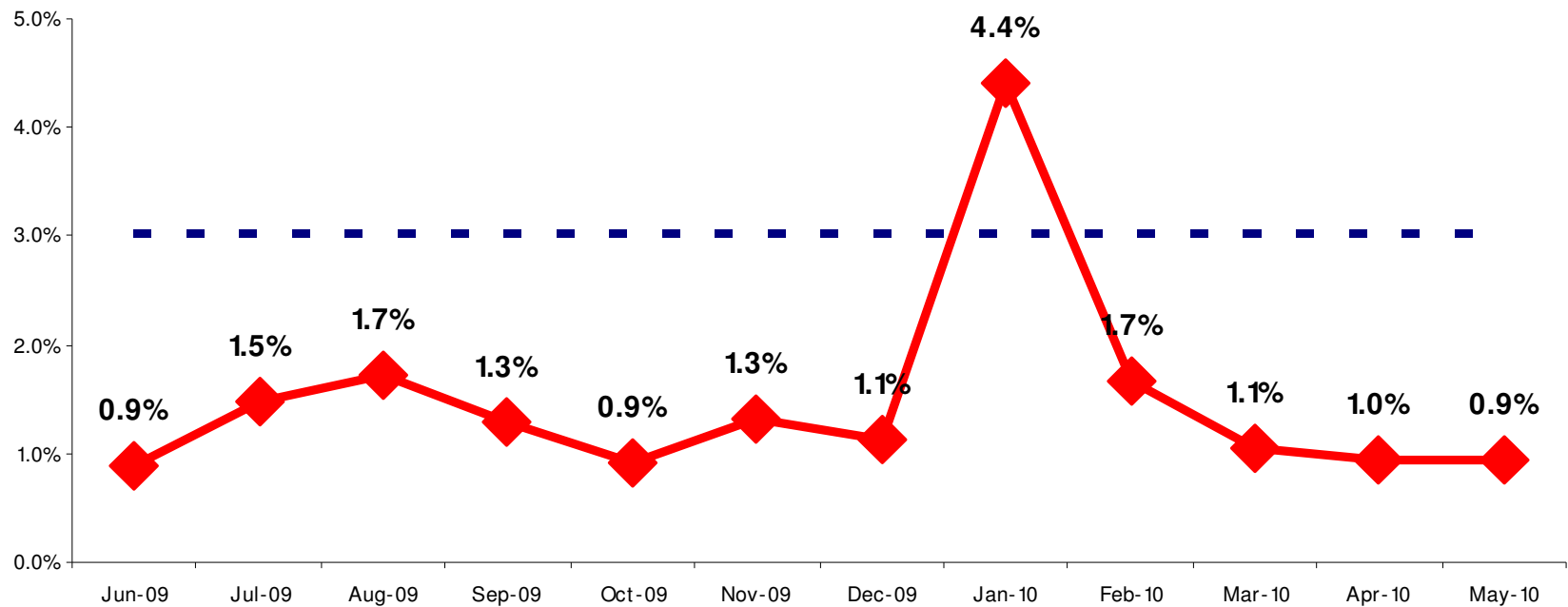
Customer Service Percentage of Calls Answered in 90 Seconds

95% Service Standard

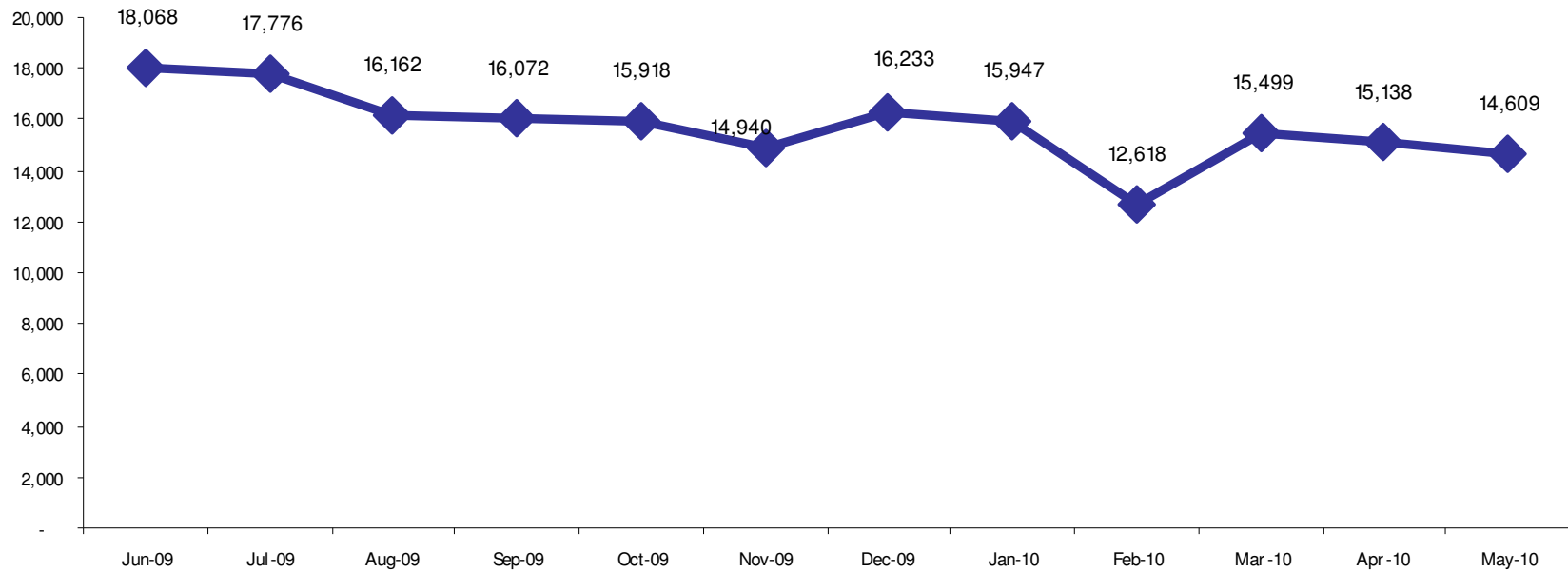


Customer Service Abandoned Call Percentage

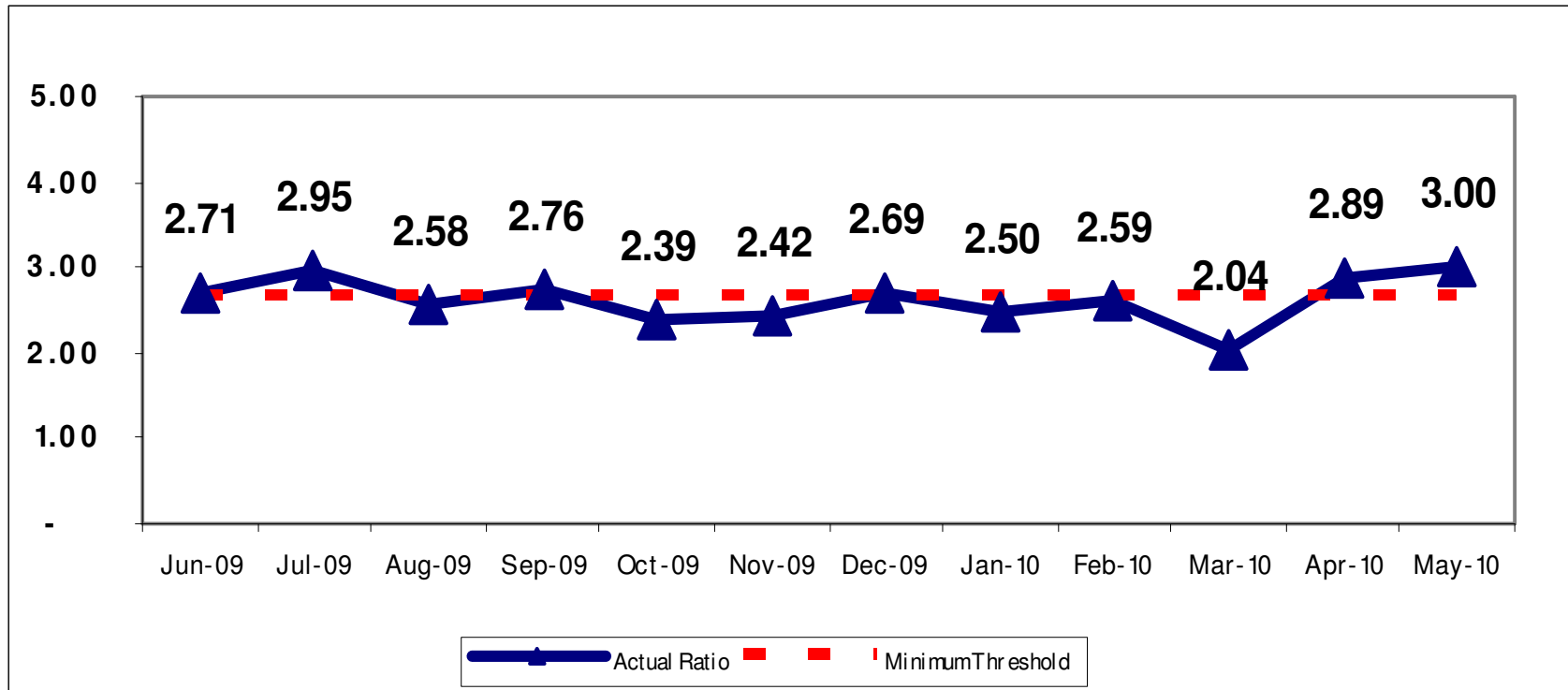
Service Standard 3%



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	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Burlingame	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 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	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -	
		2		2	1		1										3	180	(177)		\$ -	

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

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

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

	Q1			Q2			Q3			Q4			2010 Total	Less:						
	JAN	FEB	MAR	Total	APR	MAY	JUN	Total	JUL	AUG	SEP	Total		OCT	NOV	DEC	Total	Annual Allowance	Net # of Incidents	LD per Incident
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	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	1	7	(6)	\$ 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	-	1	3	-	-	-	-	-	-	-	-	-	-	-	3	84	(81)		\$ -

2010 LIQUIDATED DAMAGES



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

													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	-	1	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Burlingame	2	-	2	4	-	-	-	-	-	-	-	-	-	-	-	-	4	10	(6)	\$ 150	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Fair Oaks/SMCO	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 150	\$ -
Foster City	-	-	-	-	-	2	-	2	-	-	-	-	-	-	-	-	2	10	(8)	\$ 150	\$ -
Hillsborough	1	-	1	2	-	-	-	-	-	-	-	-	-	-	-	-	2	10	(8)	\$ 150	\$ -
Menlo Park	-	1	-	1	3	-	-	3	-	-	-	-	-	-	-	-	4	10	(6)	\$ 150	\$ -
Redwood City	-	2	3	5	5	1	-	6	-	-	-	-	-	-	-	-	11	10	1	\$ 150	\$ 150
San Carlos	-	1	1	2	2	-	-	2	-	-	-	-	-	-	-	-	4	10	(6)	\$ 150	\$ -
San Mateo	-	-	-	-	1	3	-	4	-	-	-	-	-	-	-	-	4	10	(6)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 150	\$ -
Total	3	5	8	16	11	6	-	17	-	-	-	-	-	-	-	-	33	120	(87)		\$ 150

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

													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	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Fair Oaks/SMCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Hillsborough	-	-	-	-	1	-	-	1	-	-	-	-	-	-	-	-	1	0	1	\$ 250	\$ 250
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Redwood City	1	-	-	1	1	-	-	1	-	-	-	-	-	-	-	-	2	0	2	\$ 250	\$ 500
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
San Mateo	1	-	-	1	-	1	-	1	-	-	-	-	-	-	-	-	2	0	2	\$ 250	\$ 500
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 250	\$ -
Total	2	-	-	2	2	2	-	4	-	-	-	-	-	-	-	-	6	0	6		\$ 1,500

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

													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	-	2	1	3	-	1	-	1	-	-	-	-	-	-	-	-	4	15	(11)	\$ 150	\$ -
Burlingame	-	-	2	2	-	-	-	-	-	-	-	-	-	-	-	-	2	15	(13)	\$ 150	\$ -
East Palo Alto	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Fair Oaks/SMCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Foster City	1	1	-	2	1	1	-	2	-	-	-	-	-	-	-	-	4	15	(11)	\$ 150	\$ -
Hillsborough	-	-	-	-	-	1	-	1	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Redwood City	3	1	4	8	1	-	-	1	-	-	-	-	-	-	-	-	9	15	(6)	\$ 150	\$ -
San Carlos	-	2	-	2	-	1	-	1	-	-	-	-	-	-	-	-	3	15	(12)	\$ 150	\$ -
San Mateo	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	1	15	(14)	\$ 150	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	(15)	\$ 150	\$ -
Total	5	6	8	19	2	4	-	6	-	-	-	-	-	-	-	-	25	180	(155)		\$ -

2010 LIQUIDATED DAMAGES

2010 LIQUIDATED DAMAGES



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

	JAN	FEB	MAR	Q1			APR	MAY	JUN	Q2			JUL	AUG	SEP	Q3			OCT	NOV	DEC	Q4			2010 Total	Less:			Total LD	
				Total	APR	MAY				Total	JUL	AUG				SEP	Total	2010 Total				Annual Allowance	Net # of Incidents	LD per Incident						
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -	
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Foster City	-	-	-	-	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 250	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
San Carlos	-	-	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	10	(9)	\$ 250	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10	(10)	\$ 250	\$ -
Total	-	-	1	1	1	-	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2	120	(118)		\$ -

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

	JAN	FEB	MAR	Q1			APR	MAY	JUN	Q2			JUL	AUG	SEP	Q3			OCT	NOV	DEC	Q4			2010 Total	Less:			Total LD	
				Total	APR	MAY				Total	JUL	AUG				SEP	Total	2010 Total				Annual Allowance	Net # of Incidents	LD per Incident						
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -	
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$	\$ -

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

	JAN	FEB	MAR	Q1			APR	MAY	JUN	Q2			JUL	AUG	SEP	Q3			OCT	NOV	DEC	Q4			2010 Total	Less:			Total LD	
				Total	APR	MAY				Total	JUL	AUG				SEP	Total	2010 Total				Annual Allowance	Net # of Incidents	LD per Incident						
Atherton	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -	
Belmont	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Burlingame	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
East Palo Alto	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Fair Oaks/SMCo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Foster City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Hillsborough	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Menlo Park	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Redwood City	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Carlos	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
San Mateo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
West Bay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$ 100	\$ -
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	\$	\$ -	

2010 LIQUIDATED DAMAGES

	43	12	29	-	-	72	\$ 1,650
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NEW BUSINESS



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
 Marshall Moran, Finance Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving Tipping Fee Adjustments Effective July 1, 2010

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-22 attached hereto authorizing the following action:

Effective July 1, 2010 adjust Shoreway facility tipping fees as shown in the table below:

PROPOSED TIPPING FEES PER TON OR CUBIC YARD		
<u>Transfer Station Tip Fee Increases</u>	<u>Current Rates</u>	<u>Proposed Rates (7/1/10)*</u>
SBWMA Solid Waste Franchise	\$81.00 per ton	\$84.00 per ton
SBWMA Organics Franchise	\$69.50 per ton	\$70.00 per ton
Non-SBWMA Weighed Tons (Dirt, concrete, asphalt, roofing) non-Franchise	\$80.50 per ton	\$83.00 per ton
Public Solid Waste Yards Non-Franchise*	\$34.00 per yard	\$35.00 per yard
Construction and Demolition Non-Franchise	\$34.00 per yard	\$28.00 per yard
Public Green Waste Yards Non-Franchise	\$25.00 per yard	\$25.00 per yard
* To address County disposal fee increase of \$2.81 per ton		

Analysis

The County Board of Supervisors adopted a AB 939 fee which is assessed on all disposed tons at the Ox Mountain landfill. Our proposed solid waste tipping fee increases shown above generate revenue to cover an increase in the county fees of \$2.81 per ton, current county fee of \$7.02 per ton increasing to \$9.83 per ton, imposed on the landfill. Effective July 1, 2010 Ox Mountain Landfill, owned and operated by BFI Waste Systems, will increase our disposal rate from \$34.23 per ton \$37.04 per ton; see attached letter.

As discussed at the May 27, 2010 Board meeting, staff is also proposing a reduced tipping fee rate for Construction and Demolition (C&D) materials delivered to the Shoreway facility. This rate will be for customer loads containing C&D materials that can be processed for recycling under our Agreement with Zanker Road in San Jose. The proposed rate is sufficient to cover all operating costs as detailed in the table on the next page. The proposed rate of \$28/cubic yard converts to \$89.04 per ton in revenue whereas the average cost over the next 12 months for handling, transport and processing is \$86.42.

Construction and Demolition Rate Analysis*

<u>Rate Per Cubic Yard</u>	<u>Density Yards/Ton</u>	<u>Rate Per Ton</u>	<u>Cost Per Ton*** 7/1/10-12/31/10</u>	<u>Estimated Cost Per Ton**** 1/1/11-6/30/11</u>
\$28.00	3.18**	\$89.04	\$45.58 (Shoreway costs/ton per 2010 rate application) + \$45 (Zanker) = \$90.58	\$9.91 (SBR TS handling fee) + \$15.95 (SBR transp. Fee) + \$10.26 (SBWMA allocated costs/ton) + \$46.13 (Zanker)= \$82.25
* Non-franchise rate. No franchise C&D rate exists. ** Equivalent of 629 lbs/yard or 0.314 tons/yard. *** 2010 rate application costs plus Zanker costs. **** Estimated 2011 SBR costs plus Zanker costs.				

The purpose of the reduced C&D rate is to try and retain existing public customers and possibly generate new customers hauling mixed C&D debris. With ever increasing rates at Shoreway coupled with challenging economic conditions, the Shoreway facility has seen a significant drop in public tonnages over the past year.

Background

Historical tipping fees at the Shoreway facility are summarized below.

<u>Year:</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<u>Rates</u>						
Franchised Solid Waste	\$67.50/ton	\$59.00/ton	\$61.00/ton	\$63.00/ton	\$72.00/ton	\$81.00/ton
Franchised Plant Materials/Organics	--	\$48.50/ton	\$48.50/ton	\$52.50/ton	\$60.50/ton	\$69.50/ton
Public Solid Waste	\$20.00/yard	\$20.00/yard	\$22.00/yard	\$25.00/yard	\$29.00/yard	\$34.00/yard
C&D		\$20.00/yard	\$22.00/yard	\$25.00/yard	\$29.00/yard	\$34.00/yard
Public Green Waste	\$16.50/yard	\$16.50/yard	\$16.50/yard	\$19.00/yard	\$22.00/yard	\$25.00/yard

The County Board of Supervisors voted on December 1, 2009 to increase their AB 939 fee from \$7.02 per ton to \$9.83 per ton effective July 1, 2010.

Fiscal Impact

The proposed tipping fee adjustments to address the County's increased disposal fees were not included in the 2010 Allied Collection rate report or Shoreway rate application report approved by the SBWMA Board on November 19, 2009. However, staff did provide at that Board meeting an estimated rate impact associated with the County increase so Member Agencies could incorporate this into their solid waste rate setting approval process. These tipping fee adjustments are included in the revenue projections for the proposed FY 2011 budget.

Attachments:

- Resolution 2010-22
- Letter from Ox Mountain Landfill



RESOLUTION NO. 2010-22
**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
APPROVING TIPPING FEES ADJUSTMENTS EFFECTIVE JULY 1, 2010**

WHEREAS, staff has submitted a report to the Board, dated June 24, 2010 recommending adjustments to the tipping fees charged at the Shoreway Recycling and Disposal Center (the Tipping Fees); and

WHEREAS, the Board has reviewed the suggested changes to the Tipping Fees.

NOW, THEREFORE, BE IT RESOLVED that the SBWMA Board approves the adjustments to the Tipping Fees as recommended in the staff report.

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 24th day of June, 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. 2010-22 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel

Mr. Kevin McCarthy
Executive Director
South Bayside Waste Management Authority
610 Elm Street Suite 202
San Carlos, Ca 94070

Re: AB 939 Increased Fee

Dear Valued Customer:

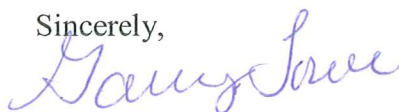
This letter is to advise you that the County of San Mateo Board of Supervisors has chosen to adopt an AB 939 Fee, which will impact the solid waste disposal rate structure. The Fee will fund the County's Solid Waste Management and Diversion (SWMD) programs and the mandated Household Hazardous Waste and Local Enforcement Agency.

The County's decision to adopt an AB 939 Fee is pursuant to Section 41901 of the California Public Resources Code, which allows the County to impose fees based on the types and amounts of solid waste materials disposed of in the County. Fees are based on the costs required to prepare, adopt and implement a countywide integrated waste management plan and are most commonly funded through implementation at each active landfill in the unincorporated areas of the County.

Effective July 1, 2010 your MSW disposal Rate of 34.23 per ton will be increase to 37.04 per ton.

Please let me know if you have any questions, comments, or concerns at (650) 726-1819

Sincerely,



Garry Lowe
Operations Manager



STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Marshall Moran, Finance Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Resolution Approving FY 2011 Budget

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2010-23 attached hereto authorizing the following action:

Adoption of the Fiscal Year (FY) 2011 Budget.

If the Board decides to not approve the budget a budget continuation resolution is also attached.

Analysis

Attached you will find a Budget Message providing an overview of the proposed FY 2011 budget (including revenues, expenditures, staffing, and program priorities). The actual proposed FY 2011 budget is **Attachment 1** to the Budget Message. The proposed 5-year capital budget is included in this budget along with reserve balance projections.

Our financial results are expected to be much improved in FY 2011 as compared to FY 2010 for several reasons as follows:

- Continued higher than expected commodity revenues due to higher tons and pricing.
- Lower Shoreway operating expenses with the new Operations Agreement starting January 1, 2011.
- Substantial completion of masterplan construction activities resulting in reduction of construction related operational impacts such as offsite shipment and processing of recyclables.

The proposed budget does not include any recommended changes to budget policy, nor a request for any new headcount. **Attachment 2** to the Budget Message provides a breakout on current staffing and budget assumptions related to salary and benefits. Salary expenses were discussed in closed session on May 27th and the Board provided direction in open session which this budget has conformed with.

There are a number of one-time or new budget items discussed further in the Budget Message that make it difficult for year over year comparisons in revenues and expenditures. These items include:

Revenues

- Increase in our tipping fees to cover the County of San Mateo's recommended fee increase of \$2.81 per ton to cover their AB 939 and County Environmental Health programs; the County increase will be passed through in the disposal fees charged to us by Republic's Ox Mountain landfill. These additional fees total \$653,200 per year.
- Member Agency (i.e., Hillsborough, San Mateo, Belmont, San Carlos, and Menlo Park) remittance of fees to the SBWMA to pay for HHW door to door collection services provided by Curbside Inc. Fee revenue will be 100% offset by payment of fees to Curbside Inc. This fee revenue is shown in a new budget line item under Revenue Summary, Operations and totals \$320,100 for fee revenue collected from the five cities.

Shoreway Remediation funds of \$250,000 in FY 2011 will 100% match actual expenditures for monitoring and remediation. Since this is fully funded in advance, there are no budget line items but the project funds and expenses are shown separately on the Revenue detail. The funds are from the \$1,500,000 total settlement with Allied.

Expenditures

- Increased disposal costs of \$653,200 due to the County's fee increase of \$2.81 per ton.
- Payment of fees to Curbside Inc. for door to door HHW services totaling \$320,100.
- Quarterly load contamination monitoring per the new Collection Franchise agreements and Shoreway Operations Agreement totaling \$45,000.
- Carryover of \$225,000 of unspent funds in FY 2010 for the collection services public education campaign.

In order to make some of these new items more transparent in our budget, staff has created a new section of our program budget called Collection Operations. This section includes expenditures for the HHW door to door collection services by Curbside Inc. and payment of processing costs for the curbside battery collection program; outreach costs for these two programs continue to be broken out separately and included under Residential Programs.

SBWMA program expenditures will also be affected by how many Member Agencies decide to participate in efforts related to enhancing existing C&D ordinances, mandatory commercial recycling, and HHW door to door collection services. For example, we have budgeted \$90,000 to promote the existing (i.e., Hillsborough, San Mateo, Belmont, San Carlos, and Menlo Park) HHW door to door collection programs and potential new programs initiated by other Member Agencies. For example, East Palo Alto and West Bay Sanitary District are now expected to implement the door to door HHW program.

Capital

The Shoreway Master Plan capital project is expected to be completed in FY 2011. Due primarily to delays in the Transfer Station construction, spending in FY 2010 is projected to be \$6.2 million less than budgeted but this will be spent in FY 2011. There is no change to the total cost of the Master Plan project at \$46.972 million.

Other miscellaneous capital projects totaling \$560,000 include: Transfer Station floor repair \$150,000; truck shop air compressors \$80,000; truck wash roof repair \$75,000; and other projects listed in the budget detail document.

Reserves Balances

The reserve balance year end projections are shown below for FY 2010 and 2011.

Reserve Balances (Year End Balance)			
<u>Reserve Category</u>	<u>Approved FY 2010 Budget</u>	<u>Projected FY 2010 Actual</u>	<u>Proposed FY 2011 Budget</u>
Operating (10% of Ops. Expense)	\$3,346,555	\$1,803,675	\$4,090,916
Rate Stabilization (10% of Ops. Expense)			\$4,090,916
Equipment Replacement (12 year amortization)*			
Facilities Improvements**			
Undesignated			\$713,431
Revenue Transfer***		\$3,796,281	
Total	\$3,346,555	\$5,599,956	\$8,895,263
* Assumed in bond proforma to be funded starting in FY 2012.			
** Discontinued in FY 2010 per Board policy.			
*** Transfer to meet Bond covenant break-even test for the fiscal year.			

The FY2010 projections reflect substantially reduced reserve balances compared to prior budget years primarily due to reduced commodity revenue, payoff of the old bond, and Master Plan construction spending and operating impacts. A Revenue Transfer is expected to be needed in the amount of \$3,796,281.

The FY 2011 budgeted reserve balance reflects improving operating cash flows from higher tipping fees, higher commodity revenue, and lower operating expenses. We are pleased to report that the Operating Reserve and the Rate Stabilization Reserve will be fully funded. In addition, no revenue transfer is expected to be needed to meet the bond covenants for FY 2011. (A Revenue Transfer may be needed for calendar year 2010 to meet bond covenants).

The Board adopted a revised Unrestricted Cash Reserve Policy on October 22, 2009 as follows:

- Operating Reserve funded up to a maximum of 10% of operating expenses (budget)
- Rate Stabilization Reserve funded up to a maximum of 10% of operating expenses (budget)
- Equipment Replacement Reserve funded per a 12-year replacement schedule for the new MRF processing equipment.

After meeting all debt service obligations, these reserves would be funded in the order shown above. For example, once the Operating Reserve is funded up to the maximum level, then net operating cash flows would flow into the Rate Stabilization Reserve fund, and then into the Equipment Replacement reserve. Once maximum fund levels are reached for each of the three reserve accounts, then surplus cash would be available as undesignated (unallocated) cash reserves.

Fiscal Impact

The FY 2011 proposed operating budget includes revenues of \$41,486,600 and operating expenses of \$40,909,156 resulting in an operating surplus of \$577,444. This compares to a projected operating loss in FY 2010 of \$3,380,876. The major explanations for the \$3,958,320 improvement are:

- Higher commodity revenue of \$2,038,300
- Higher tip fee revenue of \$2,712,700
- Lower Shoreway operating expense of \$1,966,700

The improvements above are partially offset by:

- Higher Bond Interest expense of \$1,132,200
- Higher SBWMA program expenses of \$1,271,474 due primarily to an additional \$450,000 for public education to support the collection services rollout, \$320,100 for HHW door to door collection services, \$240,000 increase for commercial recycling technical assistant, and 45,000 quarterly load contamination monitoring.

For additional financial overview information, please refer to the attached Budget Message and/or the various summary sections in the attached proposed budget document, including line item notes.

Attachments:

- A. Resolution No. 2010-23
- B. Budget Message (includes attachments for the Proposed FY 2011 Budget, Personnel Summary, and Organization Chart).



RESOLUTION NO. 2010-23

RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ADOPTING THE FY 2011 BUDGET

WHEREAS, the South Bayside Waste Management Authority (SBWMA) proposed budget 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 the Board adopts the FY 2011 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 24th day of June, 2010, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2010-23 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel



RESOLUTION NO. 2010-23

**RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
BOARD OF DIRECTORS GRANTING AUTHORITY FOR CONTINUED
APPROPRIATIONS AND EXPENDITURES FOR SIXTY (60) DAYS**

WHEREAS, the South Bayside Waste Management Authority (SBWMA) is on a fiscal year July 1 - June 30th; and

WHEREAS a budget for FY 2011 will not be ready for review and approval by the Board of Directors until after the start of the 2011 fiscal year; and

WHEREAS, there is a continued need to conduct business by the SBWMA after the start of the 2011 fiscal year.

THEREFORE, BE IT RESOLVED, that the Board grants the Executive Director continued authority for appropriations and expenditures at the current level for the first sixty (60) days of the 2011 fiscal year of the SBWMA.

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 24th day of June, 2010, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2010-23 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 24th, 2010.

ATTEST:

Jim Porter, Chairperson of SBWMA

Jeannene Minnix Kingston, Board Secretary

APPROVED AS TO FORM:

Robert Lanzone, SBWMA Counsel



June 17, 2010

SBWMA Board of Directors
South Bayside Waste Management Authority

Dear Chair and Members of the Board:

I am pleased to present for your consideration the proposed fiscal year (FY) 2011 Operating Budget (see **Attachment 1**) for the South Bayside Waste Management Authority (SBWMA). The operating budget includes revenues and expenditures, including the SBWMA program budget and the Shoreway operating budget. The proposed 5-year capital budget is included in the budget document as well as the projected reserve balances.

This budget document addresses key agency priorities and reflects our vision as detailed in our Strategic Plan approved on March 27, 2008. The most significant agency priorities remain successful future rollout of new collection services with a new service provider, transition to a new facility operator, and completion of the Shoreway master plan improvements. Thus, this budget reflects the culmination of the five plus year contractor selection process and substantial completion of the Shoreway master planning process initiated in 2006.

As in the past three budgets developed during my tenure, all budget line items have been built from the bottom up; we zero out each line item and rebuild the detail. This approach allows for a more thorough analysis of budget priorities and helps avoid any unnecessary cost inflationary pressures year over year. We also are able to modulate up or down the consultant support we need each year for major projects such as supporting the rollout of new collection services.

This budget also reflects the difficult economic times and the need for close management of expenses. Excluding one-time costs associated with development of the future collection services public education campaign and special program costs (i.e., HHW door to door collection costs) that are fully funded with separate revenue streams, this expense budget is \$47,820 lower than the projected year end FY 2010 results of \$40,186,876. Even with these special items included, the proposed FY 2011 budget is only 1.8% higher than the 2010 projection. Authorized staffing levels are proposed to remain the same.

Attachment 2 provides a breakout on current staffing, and budget assumptions related to salary and benefits.

Key Priorities
















The proposed budget funds the following key priorities:

- Oversight of the full rollout and delivery of the new franchised collection services by Recology San Mateo County (RSMC).
- Consultant support needed for development and implementation of the public education campaign to support the collection services rollout.
- Oversight of the South Bay Recycling (SBR) implementation plan to initiate Shoreway operations on January 1, 2011.
- Management of the Shoreway masterplan construction activities with key milestones including completion of the MRF building, installation of the single stream processing equipment, completion of the Public Recycling Center, and substantial completion of the Transfer Station expansion. Our budget assumes full-scale MRF and Transfer Station operations effective March 1, 2011 and April 1, 2011, respectively.
- Support of existing programs and establishment of new HHW door to door collection services.

- Continued significant staff and consultant support for Member Agency services related to the annual rate review, and contract compliance and administration.
- Focuses recycling and outreach efforts on program specific efforts for member agencies, including expanded commercial recycling and C&D technical assistance; seasonal events such as e-waste collection, venue and events recycling support, and compost give-away days; school assistance with purchasing recycling carts, and multi-family recycling and outreach support.

FY 2011 BUDGET HIGHLIGHTS (Revenues and Expenditures)

The table below summarizes key FY 2011 Budget highlights. A discussion on revenues, and expenditures, is provided later in this document.

FY 2011 OPERATING BUDGET HIGHLIGHTS	
<i>Overall Revenues Totaling \$41.49 million</i>	
<ul style="list-style-type: none">  \$30.18 million from Shoreway tipping fees, assumes tipping fee increases on Jan. 1st per the schedule shown on p. 8.  \$10.79 million from Shoreway commodity revenues.  \$0.32 million in dedicated revenue sources (i.e., HHW program fees).  \$0.20 million from investment income. 	
<i>Shoreway Expenditures Totaling \$36.77 million</i>	
<ul style="list-style-type: none">  Shoreway Operating Budget consisting of \$13.98 million for Republic Services compensation and disposal costs, \$14.46 million for SBR compensation and disposal costs, \$3.54 million for payments to Smurfit for offsite MRF processing services, \$3.18 million for debt service bond interest, \$1.44 million for franchise fees to San Carlos, and \$0.18 million for taxes and insurance expenses. 	
<i>SBWMA Expenditures (program budget) Totaling \$4.14 million</i>	
<ul style="list-style-type: none"> • <i>Administrative Expenses (\$1.63 million, 39% of SBWMA program budget)</i> <ul style="list-style-type: none">  No change in headcount.  1.6% increase in expenses compared to FY 2010, exclusive of staff wages and benefits. • <i>Contract Compliance and Consultant Support (\$1.2 million, 29% of SBWMA program budget)</i> <ul style="list-style-type: none">  \$675,000 for collection services rollout public education campaign which includes \$225,000 unspent in FY 2010.  Slight increase in rate review consultant work to \$180,000. Actual 2009/2010 Republic rate review is \$140,000 with an additional \$40,000 budgeted for Member Agency support and 2010 rate closeout work in 2011.  \$150,000 for auditing of new customer service systems and consultant support for oversight of field activities (e.g., cart assembly and distribution, cart recovery, routing, etc.) associated with the collection services rollout. • <i>Recycling (diversion) Programs and Long Range Planning (\$0.949 million, 23% of SBWMA program budget)</i> <ul style="list-style-type: none">  \$315,000 for commercial recycling technical assistance, including \$95,000 to support development of mandatory commercial recycling ordinances, \$150,000 for commercial recycling outreach, \$30,000 for deskside containers and slim jims, \$20,000 for business case studies, and \$20,000 for commercial account auditing.  \$90,000 for outreach to support current and new HHW door to door collection programs.  \$55,000 for supporting enhancement of Member Agency C&D ordinances.  \$20,000 to develop an RFQ for MSW processing and alternative technologies to substantially increase our diversion and/or reduce disposal costs. • <i>Collection Operations (\$0.36 million, 9% of SBWMA program budget)</i> <ul style="list-style-type: none">  \$320,100 for HHW door to door collection services fees for existing programs. 	

FY 2010 FINANCIAL PERFORMANCE

The SBWMA's financial performance in FY 2010 is projected to be as follows:

Revenues:	\$36,806,000
Expenditures:	\$40,186,876
Operating Surplus/(Deficit)	(\$3,380,876)

These figures are based on final projections for FY 2010.

At the February 25, 2010 Board meeting the Board approved a revenue transfer of \$3,796,281 from reserves to help offset the projected deficit and primarily to achieve the bond covenant requirements.

FISCAL YEAR 2011 BUDGET OVERVIEW

The FY 2011 operating budget includes revenues of \$41.5 million, exclusive of non-operating receipts from new debt funding, and operating expenses of \$40.9 million leaving a \$0.6 million surplus for FY 2011.

SBWMA 2011 GENERAL OPERATING BUDGET (in millions of dollars)			
	<u>FY2010 Adopted</u>	<u>FY2010 Projected</u>	<u>FY2011 Proposed Budget</u>
Revenues	36.7	36.8	41.5
Expenditures	39.1	40.2	40.9
Shoreway Operations	35.7*	37.3**	36.8***
Administration	1.53	1.52	1.63
Contract Compliance	0.88	0.710	1.2
Recycling Programs	<u>0.95</u>	0.60	0.95
Collection Operations		<u>0.04</u>	<u>0.36</u>
Operating Surplus/(Deficit)	(2.4)	(3.4)	0.6
*Includes \$5.16 million for offsite MRF processing costs.			
**Includes \$4.53 million for offsite MRF processing costs.			
***Includes \$3.54 million for offsite MRF processing costs			
Debt service expense is also included in Shoreway Operations expenditures.			

REVENUES

Revenues for FY 2011 are expected to be significantly higher than FY 2010 due to increased tipping fee revenues and higher commodity revenues. Our assumed solid waste tipping fee increases include an initial increase of \$2.81 per ton on July 1, 2010 to offset the County's planned disposal fee increase of \$2.81 per ton.

Future Board consideration should address the equity issues associated with the County's fees on disposal and how this correlates with the delivery of "services" to SBWMA Member Agencies. Staff remains extremely concerned that future county disposal fee increases are inevitable unless County program priorities are better aligned with Member Agency needs and/or unless greater equity can be achieved in terms of the SBWMA only paying its fair share of program costs.

The proposed budget includes the tipping fee increases on January 1, 2011 that were assumed in our bond proforma cash flow projections. At this time, staff doesn't believe our projected operating results justify a reduction or increase in the assumed tipping fee increases shown on the following page, with the exception of the yardage rate for C&D. As discussed during the May 27th Board meeting, staff is proposing a reduced C&D rate to provide an economic incentive to retain existing and/or extract new public customers hauling mixed C&D materials.

PROPOSED TIPPING FEES PER TON OR CUBIC YARD

Transfer Station Tip Fee Increases	Current Rates	Proposed Rates (7/1/10)*	Proposed Rates (1/1/11)**
SBWMA Solid Waste Franchise	\$81.00 per ton	\$84.00 per ton	\$93.00 per ton
SBWMA Organics Franchise	\$69.50 per ton	\$70.00 per ton	\$79.00 per ton
Non-SBWMA Weighed Tons (Dirt, concrete, asphalt, roofing) non-Franchise	\$80.50 per ton	\$83.00 per ton	\$88.00 per ton
Public Solid Waste Yards Non-Franchise*	\$34.00 per yard	\$35.00 per yard	\$40.00 per yard
Construction and Demolition Non-Franchise	\$34.00 per yard	\$28.00 per yard	\$28.00 per yard
Public Green Waste Yards Non-Franchise	\$25.00 per yard	\$25.00 per yard	\$29.00 per yard
* To address County disposal fee increase of \$2.81 per ton			
** Same proposed tipping fee increases as projected in bond proforma			

These tipping fee increases detailed above are expected to increase gate revenues net of 24,000 lower tons by approximately \$2.1 million. Commodity revenues are projected to increase by \$2.0 million from FY 2010 levels due to higher tonnage and pricing.

Tipping Fees

A major source of revenue for the SBWMA is the revenue collected from solid waste delivered to the Shoreway facility which are consolidated and then transferred to disposal or processing sites. For the FY 2011 budget, tipping fee revenue is projected to be approximately \$30.2 million.

The table below summarizes the projected source and contribution percentage of the tipping fee revenue at the Shoreway facility for the FY 2011.

Revenue Source	Amount (in millions)	% of Total
SBWMA – Solid Waste	\$17.5	58%
SBWMA – Organics	\$6.5	22%
Non-SBWMA Weighed Tons (Dirt, concrete, rock & asphalt)	\$0.5	2%
Non-SBWMA Weighed Tons (Asphalt roofing)	\$0.4	1%
Public Solid Waste Yards	\$2.6	9%
Public Green Waste Yards	\$1.3	4%
Public – C&D	\$1.0	3%
Public - Other	\$0.4	1%
Total	\$30.2	100.00%

Commodity Revenues

The SBWMA also receives revenue from the sale of recyclable materials typically processed at the Shoreway facility, though, this budget assumes eight of the twelve months we are still receiving commodity revenue sharing per our offsite MRF processing agreement with Smurfit. For the FY 2011 budget, the commodity revenue is projected to be approximately \$10.8 million. Commodity prices have rebounded significantly since the collapse in markets in fall 2008 with current average revenue per ton of approximately \$167.76/ton compared to \$99/ton in November 2008. Average revenue per ton peaked at \$278 in August 2008. Tonnage is also budgeted to increase in FY 2011 by 7,700 tons (13.6%) valued at \$865,000.

EXPENDITURES

The largest expense, comprising 78% of the operating budget, is for payments to the Shoreway operators (i.e., Republic thru 12/31/10, and SBR from 1/1/11 forward), offsite MRF processing, and disposal expenses. Such costs are budgeted at \$31.98 million for FY 2011 as compared to \$33.94 million in FY 2010. FY 2011 is a transition year with Republic's cost plus contract for six months, use of Smurfit for commodity processing for eight months (2.4 fewer months than in FY 2010), SBR's new contract for six months with fixed rates and compensation based on tonnage, and SBR's additional interim operating costs during construction. This changing cost structure makes it very difficult to compare cost variances at a detail level. One specific factor is 24,000 lower budgeted tons which reduces disposal expense and reduces the payment to SBR. Republic's operating portion of their compensation is not directly tied to tonnage.

Other significant expenditures include SBWMA program budget, debt service and capital outlays.

- **SBWMA Program Budget** – \$4.14 million
- **Debt Service** – This fiscal year will see much higher debt service of \$3.18 million vs. \$2.05 million in FY 2010 due to redemption of the old bond resulting in only one full interest payment in FY 2010 plus fees vs. two interest payments in FY 2011.

CAPITAL

The five-year capital budget consists of Shoreway masterplan and non-masterplan projects. Total masterplan capital spending remains the same at \$46,971,000; however, non-masterplan capital spending has been reduced in total over the next two years for FY 2011 and FY 2012 as follows:

- FY 2011 is projected at \$560,000 vs. the previously approved amount of \$545,000.
- FY 2012 is projected at \$275,000 vs. the previously approved amount of \$475,000.

RESERVE BALANCES

As shown in the Reserve Funds detail schedule, three fund categories are disclosed as well as the sources and uses of funds to arrive at the fund balances:

The Capital Improvement Fund reflects bond proceeds and internal funds needed for the Shoreway Master Plan project. Included in the FY 2010 balance is the \$1.7 million from internal funds that will be spent in FY 2011 to complete the project at the \$46.971 million original cost and bond proceeds net of payments. (Bond proceeds - \$40.6, spent from internal funds before bond sale - \$4.7, internal funds to be spent in FY11 - \$1.7). The FY 2011 fund balance is zero as the project is expected to be completed. The table on the next page shows the spending on the Shoreway Master Plan from internal funds and bond proceeds:

PROJECT FUNDS	INTERNAL FUNDS	BOND PROCEEDS - BNY	TOTAL
Total Project Cost			46,971,863
Spent pre FY2010 (internal)	4,695,900		4,695,900
Spent FY2010 (BNY) May YTD		14,643,700	
Estimate FY2010 (BNY) June		1,500,000	
Estimate FY2010 (BNY) Jul (Jun acc)		1,500,000	17,643,700
Estimate FY2011 (BNY)		22,946,300	22,946,300
Internal FY2011 (estimate)	1,685,963		1,685,963
Total Project	\$6,381,863	\$40,590,000	\$46,971,863

The Special Revenue Funds include the \$1.5 million Remediation funds from Allied and bond proceeds for capitalized interest, working capital, and reimbursement for capital spent. The FY 2011 balance reflects only the net Remediation Fund balance as the bond proceeds will have been fully absorbed for operating and interest expense during the construction period as projected in the bond proforma.

The General Operating Funds are what is available from cash flow after the other two fund categories are determined. For FY 2010, the total balance of \$5.6 million includes the approved Revenue Transfer amount of \$3.8 million for bond covenant requirements. As previously mentioned, the FY 2011 total General Operating Funds balance fully funds the Operating and Rate Stabilization Reserves with an additional \$0.7 million as undesignated. It is not expected that a Revenue Transfer will be needed in FY 2011.

STAFFING

Effective October 1, 2008 the SBWMA became the employer of record for all employees currently under contract with RGS. One employee, Cliff Feldman, remains on the LGS payroll to maintain his Calpers benefits. We will continue to contract with CPEhr to manage HR and payroll. Benefits are administered internally by staff. Please see **Attachment 3** for a current organization chart.

The SBWMA continues to operate as a non-PERS agency with a lower benefit to wage cost ratio than other agencies. A recent comparison of the SBWMA's benefit package as a percent of wages vs. the City of San Carlos PERS package for new employees found the following: our benefits ratio was 26.8% vs. 33.4% for the City; the SBWMA plan is nearly 25% cheaper! To be clear, the SBWMA has no pension (defined benefit) or post-retirement plan for SBWMA employees. We have a defined contribution retirement plan. This is economically better but puts the Authority at a disadvantage when trying to hire from other municipal agencies.

SBWMA JURISDICTION COMPLIANCE WITH AB 939 AND WASTE DIVERSION STATUS

- California legislation, AB 939, requires every California jurisdiction to divert from landfill (e.g. reduce, recycle, or compost) at least 50% of the solid waste generated each year. *Note each jurisdiction (each city and the unincorporated area of the county) in the SBWMA is required to individually meet and sustain this 50% waste diversion rate.*
- SBWMA jurisdictions need to meet and sustain the required 50% diversion rate, which requires continued diversion program development and implementation. Top priority programs include expansion of commercial and multi-family programs since a large portion of the commercial waste stream continues to be landfilled. The table below shows the per capita disposal rates per the CIWMB's revised diversion calculation methodology per SB 1016. All Member Agencies are below the primary and secondary per capital disposal metrics.

SBWMA TARGETS & 2008 RESULTS

SBWMA Per Capita Disposal Targets and Results						
Jurisdiction	New Targets (50% Equivalents)		2008			
	Primary Indicator Per Capita Disposal (lbs/person/day)	Secondary Indicator Per Employee Disposal (lbs/employee/day)	Per Capita Disposal (lbs/person/day)	Primary Indicator Met (Yes/No)	Per Employee Disposal (lbs/employee/day)	Secondary Indicator Met (Yes/No)
Atherton	11.4	48.9	5.2	Yes	20.1	Yes
Belmont	5.3	20.2	3.8	Yes	15.1	Yes
Burlingame	8.3	6.6	6.8	Yes	5.3	Yes
East Palo Alto	8.5	119.4	2.6	Yes	32.5	Yes
Foster City	3.7	7.1	3.6	Yes	6.0	Yes
Hillsborough	6.4	28.2	3.9	Yes	20.4	Yes
Menlo Park	7.5	9.2	5.7	Yes	6.4	Yes
Redwood City	9.1	14.4	6.5	Yes	9.9	Yes
San Carlos	7.5	14.4	7.4	Yes	13.9	Yes
San Mateo	5.8	13.3	4.8	Yes	9.9	Yes
SBWMA Average			5.0			
Statewide Average*			NA			
<p>*Per CIWMB staff</p> <p>California's population of almost 38 million people disposed about 39.6 million tons (MT) in 2007, about 2.6 MT or 6.2 percent less than in 2006. This translates to a 2007 statewide per capital disposal rate of 5.8 pounds/person/day (PPD), which is about a half-pound (or 7.3%) lower than the 6.2 PPD rate in 2006.</p> <p>Rev. 5/18/10</p>						

Notes:

This table represents the new diversion calculation methodology implemented by the CIWMB for 2007 per SB 1016.

CONCLUSION

In summary, the SBWMA is successfully moving through a difficult financial period given construction related impacts on cash flows. However, we have a thoughtful and detailed plan moving forward to regain positive cash flows and expect to begin leveraging our new infrastructure at Shoreway this fiscal year. Also, our JPA's financial model of pooling purchasing power and sharing administrative costs among 12 jurisdictions, has assisted in keeping garbage rates competitive and positions us well for the future. Finally, we are on track with all major Board priorities.

We continue to have a very bright and exciting future ahead of us!

Respectfully Submitted,

Kevin McCarthy, Executive Director

Attachments

1. Proposed FY 2011 Budget
2. Personnel Summary
3. Organization Chart

	FY 2010 BEGINNING BALANCE	FY 2010 Estimated					FY 2010 ENDING BALANCE	
		Revenue	Other Sources	Expense	Other Uses	Transfer In		Transfer Out
		audited						estimated
SOURCES & USES								
Operating Revenue / Expense		36,806,000		(40,186,876)		3,380,876		
Misc. capital projects				(195,193)		195,193		
Bond Proceeds, net <i>excl DSRF</i>			51,893,383				(51,893,383)	
2000 Bond Redemption					(11,737,105)	11,737,105		
Allied Settlement			1,500,000				(1,500,000)	
Debt Principal Payment								
		36,806,000	53,393,383	(40,382,069)	(11,737,105)	15,313,174	(53,393,383)	
GENERAL OPERATING FUNDS								
Operating Fund (10% of Operating Expense)	3,716,206						(1,912,531)	1,803,675
Rate Stabilization Fund (10% of Operating Expense)	146,083						(146,083)	-
Equipment Replacement Fund (12 Year Amortization)	1,858,103						(1,858,103)	-
Facilities Improvements Fund (discontinued in FY10)	2,439,334						(2,439,334)	-
Revenue Transfer (special fund) <i>bond covenant</i>	1,712,020					2,084,261		3,796,281
Undesignated								
Subtotal	9,871,746	-	-	-	-	2,084,261	(6,356,051)	5,599,956
SPECIAL REVENUE FUNDS								
Shoreway Remediation 1 <i>Allied settlement</i>						1,500,000		1,500,000
Capitalized Interest <i>bond proceeds</i>						4,533,383	(1,505,521)	3,027,862
Working Capital <i>bond proceeds</i>						2,800,000	(2,800,000)	-
MP Spending Reimbursement <i>bond proceeds</i>						3,970,000	(3,970,000)	-
Subtotal	-	-	-	-	-	12,803,383	(8,275,521)	4,527,862
CAPITAL IMPROVEMENT FUNDS								
Master Plan Shoreway project <i>bond proceeds</i>	4,451,826			(17,643,700)		40,590,000	(4,451,826)	22,946,300
Master Plan Shoreway project <i>Internal Funds</i>						1,685,963		1,685,963
Subtotal	4,451,826	-	-	(17,643,700)	-	42,275,963	(4,451,826)	24,632,263
TOTAL UNRESTRICTED FUNDS	14,323,572	36,806,000	53,393,383	(58,025,769)	(11,737,105)	72,476,781	(72,476,781)	34,760,081 <i>8,785,919</i>

NOTES:

1 The Shoreway Remediation Fund is not legally restricted but has been designated by Board for remediation purposes only

	FY 2011 BEGINNING BALANCE	FY 2011 Proposed Budget					FY 2011 ENDING BALANCE
		Revenue	Other Sources	Expense	Other Uses	Transfer In / Out	
		estimated					
SOURCES & USES							
Operating Revenue / Expense		41,486,600		(40,909,156)		(577,444)	
Misc. capital projects				(560,000)		560,000	
Bond Proceeds, net	<i>excl DSRF</i>					-	
2000 Bond Redemption							
Allied Settlement			250,000			(250,000)	
Debt Principal Payment				-		-	
		41,486,600	250,000	(41,469,156)	-	(267,444)	
GENERAL OPERATING FUNDS							
Operating Fund (10% of Operating Expense)	1,803,675					2,287,241	4,090,916
Rate Stabilization Fund (10% of Operating Expense)	-					4,090,916	4,090,916
Equipment Replacement Fund (12 Year Amortization)	-						-
Facilities Improvements Fund (discontinued in FY10)	-					-	-
Revenue Transfer (special fund)	3,796,281		-			(3,796,281)	-
Undesignated						713,431	713,431
Subtotal	5,599,956	-	-	-	-	3,295,306	8,895,262
SPECIAL REVENUE FUNDS							
Shoreway Remediation 1	1,500,000				(250,000)		1,250,000
Capitalized Interest	3,027,862					(3,027,862)	-
Working Capital						-	-
MP Spending Reimbursement						-	-
Subtotal	4,527,862	-	-	-	(250,000)	(3,027,862)	1,250,000
CAPITAL IMPROVEMENT FUNDS							
Master Plan Shoreway project	22,946,300			(22,946,300)			-
Master Plan Shoreway project	1,685,963			(1,685,963)			-
Subtotal	24,632,263	-	-	(24,632,263)	-	-	-
TOTAL UNRESTRICTED FUNDS	34,760,081	41,486,600	250,000	(66,101,419)	(250,000)	0	10,145,262

NOTES:

1 The Shoreway Remediation Fund is not legally restrict

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
REVENUE SUMMARY**

FY 2011 PROSED BUDGET

REVENUES BY MAJOR CATEGORY

REVENUE SUMMARY	ACTUAL	APPROVED	MID YEAR	PROJECTED	PROPOSED	NOTES
	FY 2008-2009	FY 2009-2010	FY 2009-2010	FY 2009-2010	FY 2010-2011	
	unaudited					
ADMINISTRATIVE REVENUES						
409100 INVESTMENT INCOME	117,128	120,500	93,830	350,400	200,900	mid-year projection was wrong - Mar qtr is \$100k
409101 INVESTMENT (GASB 31) MARKET VALUE ADJ	(46,060)					
409200 INTEREST INCOME	-					
TOTAL ADMINISTRATIVE	71,069	120,500	93,830	350,400	200,900	
OPERATIONS						
480007 TIPPING FEES	25,077,592	27,937,300	28,045,308	27,464,700	30,177,400	w/ April '10 actual deduction (NA for FY2011)
480023 COMMODITY SALES	9,625,554	8,661,500	8,735,841	8,749,900	10,788,200	
480024 COMMODITY REVENUE SHARE - NEW OX MOUNTAIN HHW DOOR TO DOOR COLLECTION SERVICE - NEW	-			43,200	320,100	incl: SC, Hills, Bel, CSM, MP
480008 MISCELLANEOUS REVENUE	275					
TOTAL OPERATIONS	34,703,421	36,598,800	36,781,150	36,257,800	41,285,700	
TOTAL OPERATING REVENUES	34,774,489	36,719,300	36,874,980	36,608,200	41,486,600	
MISCELLANEOUS - EQPT AUCTION			197,800	197,800		
TOTAL REVENUE	34,774,489	36,719,300	37,072,780	36,806,000	41,486,600	4,413,820
NET OPERATING INCOME / <LOSS>	(1,748,444)	(2,375,809)	(3,695,786)	(3,380,876)	577,444	4,273,230
PROGRAM SPECIFIC BUDGET						
SHOREWAY REMEDIATION MONITORING - NEW					250,000 (250,000)	Funds from Allied Settlement of \$1.5M FY10 Estimated Environmental Costs for FY11
TOTAL PROGRAM SPECIFIC BUDGET	-	-	-	-	-	

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY							NOTES for FY2011
EXPENDITURE SUMMARY	ACTUAL FY 2008-2009	APPROVED FY 2009-2010	MID YEAR FY 2009-2010	PROJECTED FY 2009-2010	PROPOSED FY 2010-2011		
ADMINISTRATIVE EXPENSES							
520305 520305 ADMINISTRATIVE STAFF	477,000	560,764	563,200	567,200	592,600	Salary increases 1/1/11; est. benefit cost incr	
520306 520306 AB 939 PROGRAM STAFF	440,000	553,570	488,600	506,500	586,900	Salary increases 1/1/11; est. benefit cost incr	
520328 520328 EMPLOYEE RECRUITMENT/HR SUPPORT	550	8,000	8,000	8,000	5,000		
520337 520337 PEO COST (HR & PR FEES)	6,890	13,200	11,250	18,800	20,100	LGS - \$875 / month + CPE fee	
520312 520312 BOARD COUNSEL	52,891	50,000	75,000	75,000	60,000		
520300 520300 BOARD MEETINGS & RECORDINGS	-	12,600	12,600	11,410	6,000	Audio Only - Phase Out MCTV	
520310 520310 ACCOUNTING SERVICES	93,500	98,000	108,000	108,000	110,000	Includes calendar year at \$10k	
520334 520334 INFORMATION SYSTEMS	21,804	22,500	22,500	24,400	27,000	24K for IT Contract, \$3k for software upgrades	
520338 520338 WEBSITE	9,696	11,000	11,000	10,112	10,100	Maintenance only based on current use	
520301 520301 ANNUAL AUDIT	6,550	10,300	15,000	8,000	15,000		
520701 520701 INSURANCE	18,587	22,000	30,223	30,223	35,000	D&O and EPLi Coverage	
520202 520202 BANK FEES	9,117	12,000	12,000	9,000	12,000		
520203 520203 RENT	41,857	48,500	48,500	47,454	50,000	Add CPI prorated for current space only	
520204 520204 PRINTING AND POSTAGE	165	200	200	200	200		
520107 520107 UTILITIES	18,763	17,000	17,000	17,000	18,000		
520905 520905 OFFICE/TENANT IMPROVEMENTS	24,201	10,000	7,000	7,000	3,000	New items such as storage compartments	
520201 520201 OFFICE SUPPLIES	23,415	22,500	17,000	17,000	18,000		
520215 520215 OFFICE EQUIPMENT COSTS	14,131	12,600	12,600	13,777	17,000	\$5k to upgrade server	
520504 520504 PUBLICATIONS & PUBLIC NOTICES	2,499	2,000	2,000	1,000	2,000		
520501 520501 PROFESSIONAL DUES & MEMBERSHIPS	1,883	2,000	2,000	2,000	2,000		
520801 520801 VEHICLE MILEAGE & TOLLS	473	500	500	100	350		
520105 520105 CELL PHONES	4,306	5,000	5,000	6,000	6,000		
520503 520503 CONFERENCE & MEETINGS	16,118	15,000	12,000	11,000	12,000		
520502 520502 TRAINING	-	4,375	4,375	3,750	5,000	\$1,250 per employee	
520511 520511 SPONSORSHIPS & DONATIONS	12,500	12,500	12,500	10,250	12,500		
522706 522706 COMPUTER PURCHASE	20,334	5,000	2,500	2,500	3,000	Upgrades/replacement	
TOTAL ADMINISTRATIVE	1,317,231	\$ 1,531,109	\$ 1,500,548	\$ 1,515,676	\$ 1,628,750		
CONTRACT COMPLIANCE AND SUPPORT							
RATES							
520307 520307 RATE REVIEW	175,316	180,000	175,000	175,000	180,000	Fee est. of \$140k plus added 40k (20/20).	
TOTAL RATE REVIEW	175,316	180,000	175,000	175,000	180,000		
CONTRACTOR							
520308 520308 FACILITY IMPROVEMENT OVERSIGHT	5,936	75,000	75,000	70,000	40,000	David Langer	
520309 520309 BUSINESS CONSULTANT/HF&H	10,085	5,000	5,000	5,000	-		
520309 520309 CONTRACT MANAGEMENT SUPPORT	-	10,000	10,000	10,000	15,000		
520309 520309 CONTRACT NEGOTIATIONS/LEGAL REVIEW	150,593	30,000	60,000	60,000	15,000		
520309 520309 COLLECTION SERVICES RFP & IMPLEMENTATION	91,525	65,000	65,000	65,000	150,000	Ron Proto and outside auditing costs	
520309 520309 COLLECTION SERVICES PUBLIC EDUCATION FOR ROLLOUT	-	450,000	450,000	225,000	675,000	Includes \$225,000 unspent from FY0910	
520309 520309 FACILITY RFP & IMPLEMENTATION	130,117	25,000	25,000	25,000	40,000	Joe Sloan & David Langer	
520309 520309 SHOREWAY REMEDIATION LEGAL & TECHNICAL	39,794	30,000	30,000	70,000	40,000	Legal and Technical Review Only	
520329 520329 ANNUAL ALLIED PERFORMANCE HEARING	6,887	5,000	-	-	-		
NEW NEW QUARTERLY LOAD CONTAMINATION MONITORING -- NEW	\$ -				45,000	Quarterly monitoring per Franchise & Ops Agr.	
TOTAL CONTRACTOR	434,937	695,000	720,000	530,000	1,020,000		
TOTAL CONTRACT COMPLIANCE & SUPPORT	\$ 610,253	\$ 875,000	\$ 895,000	\$ 705,000	\$ 1,200,000		

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY							NOTES for FY2011
EXPENDITURE SUMMARY	ACTUAL FY 2008-2009	APPROVED FY 2009-2010	MID YEAR FY 2009-2010	PROJECTED FY 2009-2010	PROPOSED FY 2010-2011		
RECYCLING - AB939 COMPLIANCE							
RECYCLING ADMINISTRATION							
520311 520311 CIWMB ANNUAL REPORTS	30,528	25,000	25,000	25,000	25,000		
520341 520341 SBWMA ANNUAL REPORT	-	7,500	7,500	7,500	5,000		
520309 520309 DIVERSION PROGRAM SUPPORT	-	20,000	20,000	10,000	10,000		
520604 520604 EVENT GIVEAWAYS	-	15,000	10,000	10,000	15,000		
TOTAL RECYCLING ADMINISTRATION	30,528	67,500	62,500	52,500	55,000		
LONG RANGE PLAN/DIVERSION PROGRAMS							
520340 520340 LONG RANGE PLAN UPDATE	49,287	45,000	35,000	35,000	20,000		RFQ for MSW Processing and Technology
520340 520340 ORGANICS PROCESSING RFP	11,379	20,000	20,000	15,000	7,500		Newby Island audit
520340 520340 MASTER PLAN OUTREACH	18,998	30,000	25,000	20,000	25,000		Public Education and Tour Program Develop.
SOLAR SYSTEM ENGINEERING AND EVALUATION --NEW					25,000		PPA Procurement Implementation
TOTAL LONG RANGE PLAN/DIVERSION PROGRAMS	79,664	95,000	80,000	70,000	77,500		
COMMERCIAL PROGRAMS							
520331 520331 LARGE EVENT/VENUE CONSULTING	18,351	25,000	20,000	18,000	20,000		
520342 520342 LARGE EVENT/VENUE RECYCLING SERVICES	-	60,000	50,000	35,000	25,000		
520608 520608 CLIMATE CHANGE POLICY OPTIONS	3,994	20,000	10,000	7,000	10,000		
520604 520604 COMMERCIAL RECYCLING TECHNICAL ASSIST	222,657	180,000	125,000	75,000	315,000		
520604 520604 C&D RECYCLING PROGRAM	-	22,000	5,000	3,000	55,000		No. of Member Agencies participating?
520604 520604 GREEN BUSINESS PROGRAM	-	15,000	10,000	5,000	10,000		
520604 520604 MULTI-FAMILY OUTREACH	-	30,000	10,000	-	20,000		
TOTAL COMMERCIAL PROGRAMS	245,001	352,000	230,000	143,000	455,000		
RESIDENTIAL PROGRAMS							
520604 520604 QUARTERLY NEWLESTTER DESIGN/SETUP	54,534	40,000	40,000	40,000	10,000		
520604 520604 QUARTERLY NEWLESTTER PRINTING/MAILING	193,221	150,000	150,000	150,000	205,000		Printing for four vs three
520604 520604 RESIDENTIAL OUTREACH PROGRAMS	97,553	36,000	20,000	20,000	31,000		
520604 520604 COMPOST GIVEAWAY	-	20,000	5,000	1,000	10,000		
520604 520604 HHW DOOR TO DOOR COLLECTION OUTREACH	-	125,000	125,000	70,000	90,000		Outreach only. Member Agencies participating?
520335 520335 CURBSIDE HOUSEHOLD BATTERY OUTREACH	56,495	48,000	48,000	48,000	8,000		Outreach only
520604 520604 ELECTRONIC COLLECTIONS EVENTS	29,316	15,000	10,000	8,000	7,500		
TOTAL RESIDENTIAL PROGRAMS	431,119	434,000	398,000	337,000	361,500		
TOTAL RECYCLING - AB939 COMPLIANCE	\$ 786,312	\$ 948,500	\$ 770,500	\$ 602,500	\$ 949,000		
SUBTOTAL SBWMA PROGRAM BUDGET	\$ 2,713,795	\$ 3,354,609	\$ 3,166,048	\$ 2,823,176	\$ 3,777,750		

GENERAL OPERATING EXPENSES BY MAJOR CATEGORY							NOTES for FY2011
EXPENDITURE SUMMARY	ACTUAL FY 2008-2009	APPROVED FY 2009-2010	MID YEAR FY 2009-2010	PROJECTED FY 2009-2010	PROPOSED FY 2010-2011		
COLLECTION OPERATIONS - NEW							
NEW HHW DOOR TO DOOR COLLECTION SERVICES -- NEW				43,200	320,100		Payments to Curbside Inc.
NEW CURBSIDE HOUSEHOLD BATTERY RECYCLING SERVICES -- NEW					40,000		Payments to Allied/SBR for battery processing
TOTAL COLLECTION OPERATIONS			-	43,200	360,100		
TO SBWMA PROGRAM BUDGET	\$ 2,713,795	\$ 3,354,609	\$ 3,166,048	\$ 2,866,376	\$ 4,137,850		
SHOREWAY OPERATIONS							
522701 522701 OPERATING CONTRACT - ALLIED	31,492,620	27,553,700	29,513,600	29,614,600	13,976,000		Bimonthly payments thru 12/31/10
NEW OPERATOR COMPENSATION - SBR -- NEW					7,813,000		Contractor payments effective 1/1/11
NEW DISPOSAL & PROCESSING COSTS -- NEW					6,642,700		Effective 1/1/11
522708 522708 INTERIM OFFSITE MRF OPERATIONS	-	5,160,800	4,533,700	4,327,700	3,543,900		Smurfit payments
520710 520710 INSURANCE SHOREWAY	96,804	130,000	130,000	95,000	120,000		Increase for new building and eqt coverage
SHOREWAY FACILITY COST - NEW					15,806		Parking: Recology & SBR (temporary)
521104 521104 DEBT SERVICE BOND INTEREST	784,901	1,521,600	2,045,700	2,045,700	3,177,900		Offset by capitalized interest
521117 521117 AMORTIZATION OF BOND ISSUANCE	30,207						
521118 521118 Revenue Bond Arbitrage	15,812						
520320 520320 BOND REFINANCING	90,000	-	-	-	-		
520324 520324 TAXES (PROPERTY)	34,179	44,000	44,000	38,000	45,000		
522702 522702 FRANCHISE FEE	1,264,614	1,330,400	1,335,518	1,199,500	1,437,000		FY10 includes \$108k credit from city for overpmt
520327 520327 ARBITRAGE FEES	-						
TOTAL SHOREWAY OPERATIONS	33,809,138	\$ 35,740,500	\$ 37,602,518	\$ 37,320,500	\$ 36,771,306		
TOTAL OPERATING EXPENSES	\$ 36,522,933	\$ 39,095,109	\$ 40,768,566	\$ 40,186,876	\$ 40,909,156		

Note: FY 2009 unaudited

CAPITAL PROJECTS								
PROJECT DESCRIPTION	ACTUAL	ACTUAL	APPROVED	PROJECTED	PROPOSED	PROPOSED	PROPOSED	
	FY 2007-2008	FY 2008-2009	2009-2010	2009-2010	2010-2011	2011-2012	2012-2013	
570300 SF002 RC CONTAINER LINE INFEEED BALER	-	-	-	-	-	-	-	-
570300 SF005 TS FLOOR REPAIR	-	-	100,000	147,000	150,000	100,000	100,000	-
570300 SF006 INBOUND SCALE CONVERSION	-	-	-	-	-	-	-	-
570300 SF017 FACILITY IMPROVEMENT OVERSIGHT	-	-	-	-	-	-	-	-
570300 SF018 ROOF REPLACEMENT/REPAIRS	-	-	-	-	-	-	-	-
570300 SF019 CONTAINER SHOP ROLLUP DOOR RPLMNT	-	-	-	-	-	-	-	-
570300 SF020 TRANSFER STATION OUTBOUND SCALES	-	-	-	-	-	-	-	-
570300 SF021 TRANSFER STATION FALL PROTECTION	-	-	75,000	-	-	-	-	-
570300 SF022 RECYCLING PLANT BUILDING COLUMNS	-	-	-	-	-	-	-	-
570300 SF023 TUNNEL DRIVEWAY PAVING	-	-	45,000	-	25,000	25,000	25,000	-
570300 SF024 HOUSEHOLD HAZARDOUS WASTE BLDG	-	-	-	-	-	-	-	-
570300 SF026 TRUCK SHOP-REPLACE 2 AIR COMPRESSORS	-	-	-	-	80,000	-	-	-
570300 SF027 CONTAINER SHOP--REPAIR WALL	-	-	-	-	-	-	-	-
570300 SF028 TRUCK WASH BUILDING--ROOF REPAIR	-	-	-	-	75,000	-	-	-
570300 SF029 ONSITE CAMERA MONITORING SYSTEM	-	-	35,000	-	-	-	-	-
570300 SF030 CUT-BACK CURBING IN TS TUNNELS	-	-	-	-	-	-	-	-
570300 SF031 FRONTAGE LANDSCAPING	-	-	-	-	-	50,000	-	-
NEW ADMIN BLDG IMPROVE/REPAIRS	-	-	-	-	50,000	100,000	-	-
NEW PAVING PAINTING/STRIPING	-	-	-	-	20,000	-	-	-
NEW TRAFFIC CONTROL LIGHT FOR TRANSFER STATION	-	-	-	-	10,000	-	-	-
NEW HARRIS BALER REFURB. AND REPAIR	-	-	-	-	55,000	-	-	-
NEW OFFSITE PARKING	-	-	-	-	-	-	-	-
NEW MAINTENANCE BUILDING RELAMPING	-	-	-	-	10,000	-	-	-
NEW PUBLIC RECYCLING CENTER HHW STORAGE UNITS	-	-	-	-	10,000	-	-	-
NEW SBR MAINTENANCE BAY	-	-	-	-	15,000	-	-	-
520711 INSURANCE CONSTRUC FACILITY	-	-	120,000	48,193	60,000	-	-	-
SUB-TOTAL CAPITAL PROJECTS	-	-	375,000	195,193	560,000	275,000	125,000	PROJECT TOTAL
MASTER PLAN								
520339 MPPRE PRE CONSTRUCTION	175,569	-	-	-	-	-	-	175,569
520339 MP1DE PHASE 1 SCALE D&E	58,024	-	-	-	-	-	-	58,024
520339 MP1CN PHASE 1 SCALE CONSTRUCT	4,063	1,935,891	554,108	554,108	-	-	-	2,494,062
520339 MP2DE A&E SERVICES	316,356	1,410,042	202,130	202,130	-	-	-	1,928,528
520339 MP3DE PHASE 2 MRF REBUILD D&E	15,891	-	-	-	-	-	-	15,891
520339 MPCEN CONSTRUCTION MGT & ENG SUPPORT	-	560,513	1,281,235	1,665,512	572,323	-	-	2,798,348
520339 MPSNP MASTER PLAN STUDY AND PLANNING	221,878	-	-	-	-	-	-	221,878
520339 MP3EQ PHASE 3 MRF EQUIPMENT INSTALLATION	-	-	-	-	-	-	-	-
520339 MPMRF MRF CONSTRUCTION	-	-	7,001,800	7,000,000	3,072,000	-	-	10,072,000
520339 MP_TS TS CONSTRUCTION	-	-	3,547,700	1,000,000	4,458,000	-	-	5,458,000
520339 MPMOB Mobilization	-	-	280,000	350,000	-	-	-	350,000
520339 MPGEN Sitework/General Construction	-	-	369,995	210,000	847,000	-	-	1,057,000
520339 MPOCC Other Construction Costs (landscape,sign,roof,security)	-	-	275,345	-	786,700	-	-	786,700
520339 MPEQP Equipment Purchase	-	-	9,634,450	8,113,204	6,159,996	-	-	14,273,200
520339 MPEQI Equipment Installation	-	-	1,425,850	492,472	2,014,928	-	-	2,507,400
520320 BONDR Non-Contingent Bond Issuance Cost	-	90,500	-	-	-	-	-	90,500
520339 CNTGC Contingency - 10%	-	-	2,342,400	1,121,074	3,563,726	-	-	4,684,800
SUB-TOTAL MASTERPLAN	\$ 791,781	\$ 3,996,946	\$ 26,915,013	\$ 20,708,500	\$ 21,474,673	\$ -	\$ -	\$ 46,971,900

FORMULA For TOTAL Actual 2008 - Actual 2009+ Projected 2010 - Proposed 2011

PERSONEL AND BENEFIT ASSUMPTIONS FOR FY 2011

No proposed changes in headcount. Our personnel summary is as follows:

	Mid Year Budget <u>FY 2010</u>	Proposed <u>FY 2011</u>
Administrative Assistant (<i>hourly</i>)	1.0	1.0
Executive Director	1.0	1.0
Facility Operations Contract Manager	1.0	1.0
Finance Manager	1.0	1.0
Board Secretary/Recycling Specialist	1.0	1.0
Recycling Coordinator	1.0	1.0
Recycling Outreach & Sustainability Manager	1.0	1.0
Recycling Programs Manager*	<u>1.0</u>	<u>1.0</u>
	8.0	8.0

* Contract employee supplied by Local Government Services, a public joint powers agency

FY 2011 Proposed Position Changes

Administrative Assistant position filled on by 6/14/10.

Budget Assumptions for Salary and Wages

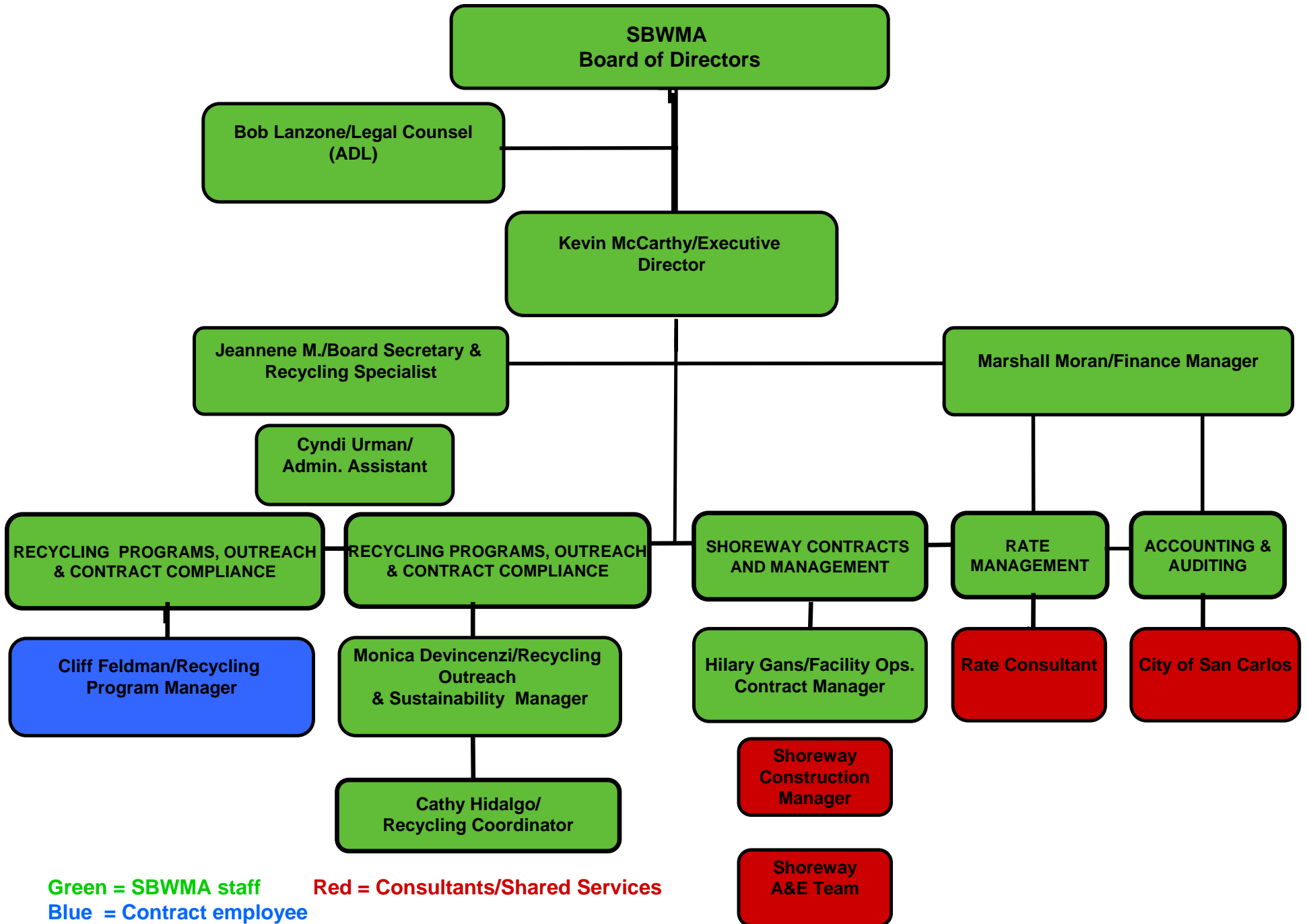
The average salary adjustment assumed for our 7 non represented employees (no contracts) and 1 contract employee is 2.00%. There are no proposed changes to salary ranges.
No proposed changes in benefits.

Benefit cost assumptions are as follows:

Medical (Health Net) HSA Plan	14.6% increase
Dental, vision, LTD, Life (Guardian)	5%

We continue to be a non-PERS agency.

SBWMA Organization Chart (June 2010)





STAFF REPORT

To: SBWMA Board Members
From: Kevin McCarthy, Executive Director
Date: June 24, 2010 Board of Director's Meeting
Subject: Discussion on New Labor Agreements and their Impact on Member Agency Solid Waste Rates

Recommendation

This staff report is for informational purposes only and no formal action is requested of the Board of Directors. The Board may wish to ask questions of staff or add their comments during the discussion of this agenda item.

Analysis

Staff and the Executive Committee felt it was important to update the Board on the potential collection rate impact issues associated with the new labor agreements currently under negotiation between Republic Services and Teamsters Local 350. There are two outstanding collective bargaining agreements (CBAs) that are currently being negotiated. These are for clerical workers (e.g., customer service representatives and billing coordinators) who voted February 10, 2010 to unionize and for mechanics formerly represented by the Machinists Local 1414 that are now represented by the Teamsters; the former Machinists contract expired 12/31/09.

There are two issues for the Board to be aware of. One is the actual wage and benefit rates and how negotiated rates may compare to existing rates for the effected workers; and the second is the length of the CBA term. As the clerical workers were not previously represented their wage and benefit rates under a CBA will be different than what they currently are and different than what was assumed by Recology San Mateo County and South Bay Recycling (SBR) in their original proposals for serving Rethink Waste and the residents and businesses in this service area. For example, Republic currently pays \$999 per month per non-represented employee for medical benefits whereas the cost for a Teamster employee is \$1,470 per month; this is a 47% difference. As shown in the table on the next page, if the clerical and maintenance workers receive the same benefits as other Teamster workers under the current driver and transfer station CBAs there will be a significant increase in costs in 2010.

As noted below, the CBA expiration date is important from a contractor compensation perspective. Once the current CBAs expire, the Contractor's compensation for wages and benefits will be tied to a federal index. Conversely, until the CBAs expire, the Contractor's compensation for wages and benefits will reflect the actual wages and benefits in the CBAs. Historically, the annual wage increase (excluding benefit increases) for represented employees has averaged about 4.5% as compared to the average U.S. Department of Labor, Private Employment Cost Index for Service-Producing Industries increase over the past nine years of 2.73%. Thus, the longer the term of the new CBAs the longer into the new contract period (i.e., 1/1/11 – 12/31/20) the higher wage and benefit costs will be.

Background

Since the Board's original approval of the Collection and Facility Operations RFP documents on October 25, 2007, future contractor compensation has been based on a fixed price model and not a cost plus arrangement with a few exceptions. One of those exceptions relates to annual adjustments for direct labor costs for employees represented through CBAs. As noted in Attachment K to the Collection Franchise Agreements with Recology and Attachment 12 to the Shoreway Operations Agreement with SBR, wages and benefits are adjusted annually based on CBAs in effect before the commencement date of the Agreement and until their expiration. Once the CBAs expire, wages and

benefits are adjusted by a U.S. Department of Labor, Private Employment Cost Index for Service-Producing Industries.

Currently, there are two CBAs in place, one for drivers (collection and semi-drivers) and helpers dated 10/24/08 that expires 10/23/13; and one for Transfer Station workers (buyback attendants, spotters, and various operators), except for MRF sorters, dated 1/1/10 that expires 12/31/14. Thus, wage and benefit rates in those CBAs will be used to set actual contractor (i.e., Recology and SBR) wages and benefit compensation until the CBAs expire. After expiration and no matter what new wage and benefit rates are in subsequently negotiated CBAs, the contractor wage and benefit compensation will be tied to an index.

Contractor's annual compensation adjustments related to wages and benefits for non-represented employees are tied to the labor index noted above. When contractors submitted proposals in response to the Collection Services RFP or the Facility Operations RFP they made their own assumptions regarding non-represented employee wages and benefits. As clerical workers were not represented in 2008 their costs will be adjusted to reflect wages and benefits in a CBA negotiated prior to January 1, 2011.

The Board and the Member Agencies also approved other provisions in the Collection Franchise Agreements and the Shoreway Operations Agreement that relate to represented employees. For example, Article 8.06 of the Collection Agreement and Article 5.11 of the Shoreway Agreement contain language regarding "Personnel" that addresses the hiring of employees of the previous contractor and the extent to which previous CBAs are applicable. On this last point, the Collection Agreements and Shoreway Agreement contain the following language: **"This Agreement does not obligate Contractor to become a party to a collective bargaining agreement entered into by the Previous Contractor."** These CBAs effectively expire after 12/31/10 unless the new Contractor (i.e., Recology and SBR) signs a MOU with Teamsters 350 to recognize the terms and conditions or modified terms and conditions of the CBA. Both Recology and SBR have signed MOUs recognizing the terms and conditions of the two current CBAs.

Fiscal Impact

Member Agency solid waste rates are likely to be adversely effected by higher than projected wage and benefit expenses for clerical workers and maintenance workers. While wage rates for these employees are not currently known, 2010 benefit rates are. As shown in the table below, if the clerical and maintenance workers receive the same benefits as other Teamster workers under the current driver and transfer station CBAs there will be a significant increase in costs in 2010.

<u>Benefit Cost Comparison: 2010 Rate Application vs. Current Teamster CBAs</u>				
<u>Mechanics</u>		2010	Current	Increase Over
		Rate	Teamster	Increase Over
		<u>Application</u>	<u>CBAs</u>	<u>2010 Rate Application</u>
Wages		2,557,690	N/A	
Payroll Taxes		217,404	N/A	
Health Insurance	10.00%	421,080	511,560	90,480
Pension	10.00%	225,086	388,681	163,595
Benefit Cost Subtotal:		646,166	900,241	254,075
% Increase:				39.32%
<u>Clerical</u>		2010	Current	Increase Over
		Rate	Teamster	Increase Over
		<u>Application</u>	<u>CBAs</u>	<u>2010 Rate Application</u>
Wages		1,247,689	N/A	
Payroll Taxes		106,054	N/A	
Health Insurance	6.00%	359,640	529,200	169,560
Pension	2.50%	35,310	402,084	366,774
Benefit Cost Subtotal:		394,950	931,284	536,334
% Increase:				135.80%

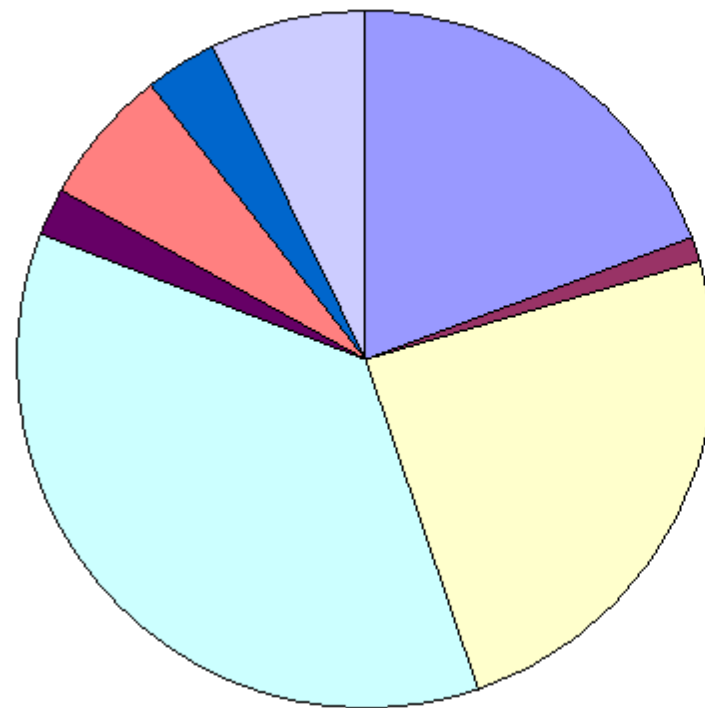
On a related note, the Board will also be voting on a FY 2011 budget that includes last month's instructions by the Board to give no Salary Range Increase (0% change) to SBWMA staff employees in the coming year and to limit merit increases to the 2% funding available in the proposed budget in the coming year. As detailed in **Attachments A and B**, SBWMA wage and benefit costs are only **2.4%** of the total SBWMA budget and **0.6%** of total franchise collection costs. In contrast, Contractor labor expenses are a significantly larger portion of these costs, comprising **21%** of the SBWMA budget and **44%** of total franchise collection costs.

Attachments:

A – SBWMA Expense Detail for 2010

B—Collection Expense Detail for 2010

SBWMA Expense Detail (in millions) - 2010

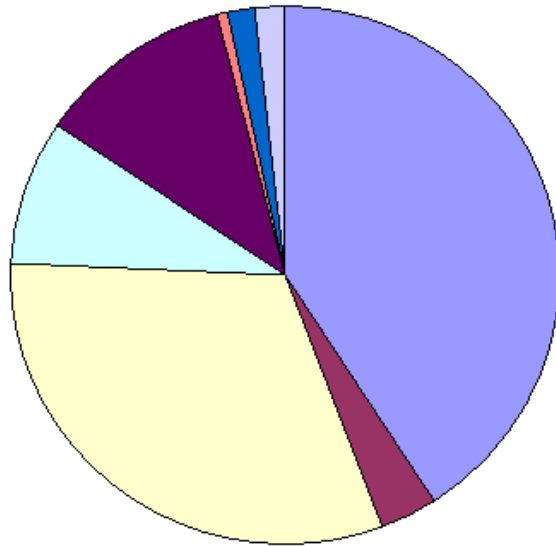


EXPENSE

- \$ 8.1 Allied CBA Labor Cost (20%)
- \$ 0.4 Allied non-CBA Salary & Benefits (1%)
- \$10.0 Allied Other Operating Expense (24%)
- \$15.0 Shoreway Disposal Expense (36%)
- \$ 1.0 SBWMA Salary Expense (2.4%)
- \$ 2.6 SBWMA Other Expense (6.4%)
- \$ 1.3 Franchise Fee & Other (3.2%)
- \$ 3.0 Bond Interest Expense (7%)
- \$41.5 TOTAL EXPENSE

Includes estimated Shoreway Operating Expense adjusted for offsite MRF processing costs reclassified to CBA labor.

Collection Expense Detail (in millions) - 2010



- \$ 33.2 Allied CBA Labor Cost (41%)
- \$ 2.5 Allied non-CBA Salary & Benefits (3%)
- \$ 25.6 Other Operating Expense (31.5%)
- \$ 7.2 Shoreway Disposal Expense (9%)
- \$ 9.4 Franchise Fees & misc (11.6%)
- \$ 0.5 SBWMA Salary Expense (0.6%)
- \$ 1.3 SBWMA Other Expense (1.6%)
- \$ 1.4 Bond Interest Expense (1.8%)
- \$ 81.2 Total Collection Expense

NOTE: Adjusted for Shoreway offsite MRF processing costs reclassified to CBA labor.
 Shoreway costs above are based on tip fees paid by franchised hauler, Allied Waste.
 Shoreway tip fees are based on cost less commodity revenue.
 Shoreway costs less commodity revenue allocated to public customers are not shown above.



STAFF UPDATES



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Date: June 24, 2010 Board of Directors Meeting
Subject: Update on Allied 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 May 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 – June 2010
- Attachment 2 – Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – June 2010
- Attachment 3 – Republic Services Collection Services Franchise Agreement Contract Compliance - Public Education and Outreach – June 2010



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – June 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	February 12, 2010 5:00pm	February 11, 2009 11:43 am	Yes	Yes	
February	March 15, 2010 5:00 pm	March 15, 2010 2:34 pm	Yes	Yes	
March	April 12, 2010 5:00 pm	April 12, 2010 4:05 pm	Yes	Yes	
April	May 17, 2010 5:00 pm	May 17, 2010 1:58 pm	Yes	Yes	
May					
• Executive Summary	June 14, 2010 5:00pm	June 14, 2010 11:11am	Yes	*	*Pending Review
• Liquidated Damages Reporting	June 14, 2010 5:00pm	June 14, 2010 11:11am	Yes	*	
• Metrics Graphs	June 14, 2010 5:00pm	June 14, 2010 11:11am	Yes	*	
• Commercial Recycling Monthly Progress Report	June 14, 2010 5:00pm	June 14, 2010 11:11am	Yes	*	
• Commercial Recycling Coordinators Call Logs	June 14, 2010 5:00pm	June 14, 2010 11:11am	Yes	*	



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – June 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 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 8, 2010 8:17 am	Yes	Yes	
March	April 12, 2010 5:00 pm	April 9, 2010 9:12 am	Yes	Yes	
April	May 10, 2010 5:00 pm	May 7, 2010 9:10am			



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – June 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>
May	June 7, 2010 5:00 pm	June 7, 2010 9:39am	Yes	Yes	
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	March 12, 2010 12:39 pm	Yes	Yes	
Q2-2010	June 15, 2010 5:00 pm				
Q3-2010	September 15, 2010 5:00 pm				



Attachment 1

Reports Republic Has Agreed to Provide That Are Not Specifically Referenced in the Member Agency Franchise Agreements – June 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>
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 – June 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**	Yes	
Q1-2010	May 15, 2010 5:00pm	May 14, 2010 6:57 pm	Yes	*	*Pending Review
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	May 14, 2010 3:41 pm	Yes	Yes	



Attachment 2

Republic Services Collection Services Franchise Agreement and Shoreway Facility Operations Agreement Contract Compliance - Quarterly Reports – June 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>
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 - June 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		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 – June 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 UPDATE

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manager
Date: June 24, 2010 Board of Director's Meeting
Subject: Shoreway Construction Update

Project Update

This is an informational item and no Board action is required.

This project update summarizes the status of the construction of the Shoreway master plan improvements, which include the construction of a new Materials Recovery Facility (MRF) building, modifications to the Transfer Station (TS), and various site work. A contract in the amount of \$16,209,000 was awarded to SJ Amoroso on July 23, 2009 for Phase II of the Master Plan construction work. This report includes a discussion of completed and upcoming construction activities, updates to the construction schedule, and a summary of the project budget.

A construction status update meeting was held on May 11, 2010 with the SBWMA Executive Committee to discuss the current Shoreway construction project schedule, expenditures, and construction status. Another executive Committee update meeting is planned for September 2010.

Construction and Other Project Activities

The following construction activities occurred over the past month:

MRF Building

- o The steel for the pre-engineered metal building (PEMB) was shipped.
- o The PEMB structure has been substantially erected and bracing installed.
- o The structural steel was shipped for the administrative building.
- o The structural steel for the administrative building has been substantially erected.
- o The concrete push wall at the future materials receiving area has been completed.

Transfer Station

- o Concrete push-wall at east side of the transfer station finished.
- o Structural steel and metal framing of the TS employee area and offices has been substantially erected.

The following construction activities are expected to occur during the next reporting period:

MRF Building

- o Installation of PEMB bracing will be completed.
- o Concrete wall panels that will form the base-wall of the MRF building will be shipped.
- o Erection of the concrete panels will be substantially completed.
- o The metal roof panel installation will be substantially completed.

Transfer Station

- o The TS electrical room, switch gear, and cut-over wiring installation will be started.
- o Replacement of the existing TS roof will be initiated.

Site Work

- o Installation of new concrete paving will be completed at the main facility entrance (Gate 1).

Other Project Activities

- An agreement for the purchase and installation of equipment for the MRF facilities was entered into with Bulk Handling Systems (BHS) on or dated October 10, 2009. The equipment is being manufactured and is expected to be shipped to the jobsite in August, 2010. *(item carried over from last update.)*
- BHS has been notified of the current construction progress and the revised Milestone A date. BHS has indicated that there will be cost impacts related to construction bond costs and potential storage costs if the SBWMA is not able to store equipment shipments according to the original schedule. *(item carried over from last update)*

Issues of Concern

- The progress of the MRF construction work is approximately 6 weeks behind the original baseline schedule. The equipment installation start date has been revised from July 11, 2010 to August 21, 2010. *(item carried over from last update).*
- The final project completion date is not impacted by the revised Milestone A date. The construction team is working to re-sequence MRF and TS construction activities to minimize impacts to the final project completion. *(item carried over from last update).*
- The MRF administrative office area construction is currently delayed 6 - 8 weeks which could necessitate setup of temporary office space for SBR administrative staff in late 2010. *(New item)*

Construction Schedule

Construction Notice to Proceed (NTP) was issued to SJ Amoroso effective September 14, 2009. The established contract duration for Final Completion is 630 calendar days which corresponds to a completion date of June 6, 2011. A summary of the schedule's major milestones is shown below:

Activity	Contract Baseline Schedule	May 2010 Schedule Update
Notice to Proceed (NTP)	Sept. 14, 2009	Sept. 14, 2009
Milestone A (MRF process area ready for equipment install)	July 11, 2010	August 21, 2010
Final Contract Completion	June 6, 2011	June 6, 2011

Fiscal Impact

- **Construction Budget (S.J. Amoroso)**
 - Cumulative progress payments made to Amoroso through the end of May total \$4,248,500.
 - Construction change order (CCO) numbers **21 through 41** were approved through the end of May.
 - The sum total of all CCO approved to date is \$1,106,062 (total payments of \$644,100 have been processed). Approved CCO's by dollar amounts are presented in the attached Preliminary Construction Change Order Summary table. Project CCO's are attributable to the following reasons:
 - Differing site conditions
 - Equipment required changes
 - Owner requested changes
 - Permitting agency changes
 - Various

- **Construction Management Budget (Covello)**
 - Cumulative progress payments made to Covello through the end of May total \$1,493,000.
 - Covello's expenses are tracking ahead of their original budget which is a result of the high number of requests for information (RFI's), CCO's, and design modifications made during the start of the MRF building construction.
- **Design Support Services (JRMA)**
 - JRMA's expenses are tracking ahead of their original budget which is a result of the high number of design modifications and requests for information made by Amoroso during construction phase.
 - A change order from JRMA to provide continued Construction Support Services is pending approval by the Board at the June meeting. It is anticipated that the additional Construction Support Services funds requested by the change order will cover JRMA services for the remainder of the Master Plan construction project.
- **MRF Processing Equipment (BHS)**
 - Cumulative progress payments made to Bulk Handling Systems (BHS) through the end of April total \$7,749,700.
- **Master Plan Project - Bond Funds Status**

A summary of the Master Plan budget and expenses through May 31st is presented in the Master Plan budget table below. Through the end of May, \$19,446,500 has been spent on a total budget of \$44,867,800 not including an unallocated Remaining Project Contingency of \$2,104,100.

SHOREWAY ENVIRONMENTAL CENTER MASTER PLAN BUDGET

(000's) *Estimates in Italics*

	Vendor	Budgeted Total Project Cost	Spent Amount as of 5/31/10	Remaining Amount as of 5/31/10	% of bdgt spent
<u>PROJECT COST SUMMARY</u>					
<u>Preliminary Costs</u>					
Planning, Design & Engineering	Various	2,404.0	2,346.9	57.1	98%
Bond Issuance Costs		83.1	83.1	-	100%
<u>Phase I</u>					
Construction	Rodan	2,405.0	2,283.6	121.4	95%
Construction Management	Covello	444.3	460.2	(15.9)	104%
<u>Phase II</u>					
Construction	Amoroso	16,209.0	4,248.0	11,961.0	26%
Construction Contingency (10%)	Amoroso	1,620.9	644.0	976.9	40%
Transfer Station - Public Area		728.0	-	728.0	0%
Construction Management & Other	Covello	2,376.0	1,494.0	882.0	63%
Construction Soft Costs	Various	786.7	106.0	680.7	13%
<u>Phase III</u>					
Equipment Installation	BHS	2,462.4		2,462.4	0%
Contingency (10%)	BHS	246.2		246.2	0%
Camera System, elec.		85.0		85.0	0%
Fire Suppression		75.0		75.0	0%
Equipment	BHS	14,354.4	7,749.7	6,604.7	54%
Contingency	BHS	492.8	31.0	461.8	6%
Construction Management	Covello	95.0		95.0	0%
<u>TOTAL PROJECT EXPENDITURES</u>		44,867.8	19,446.5	25,421.2	43%
<u>REMAINING PROJECT CONTINGENCY</u>		2,104.1		2,104.1	0%
<u>NET BALANCE BOND FUNDS</u>		46,971.9		27,525.4	0%

SBWMA SEC Phase 2 (MRF and TS Improvements) Preliminary Construction Change Order Summary

Approved Change Orders	Cost	Description
CCO 1 (Thick Pavement Removal)	\$8,939	Areas demolished at Entrance Driveway 1 contained A/C paving that was thicker than shown on the drawings.
CCO 2 (MRF Lime Treatment)	\$58,200	Negotiated agreement to stabilize the MRF building pad for pile driving activities.
CCO 3 (Unlabeled Tanks at MRF)	\$7,175	Tanks of unknown origin discovered during demolition that required special handling and assistance for environmental remediation.
CCO 4 (FO 2 - Unlabeled Conditions at Entrance 1)	\$9,735	Over-excavation & stabilization at Entrance 1 as directed by the soils engineer.
CCO 5 (Delta 4 Operator Revisions - Relocate Elec. Svc.)	\$161,791	Resize electrical service from 2000A to 2500A for MRF Equipment. Relocate electrical service to accommodate underground secondary feed into the building. Includes conduit and wire necessary for revisions (not duplicated in Delta 6)
CCO 6 (Delta 6 - Revise Elec. Feed to BHS Equipment)	\$7,4007	Relocate PEIMB bracing to accommodate equipment and planned operations in MRF.
CCO 7 (Furnish and Install Additional Piles at MRF)	\$113,850	69 additional piles required by equipment support and pit modifications.
CCO 8 (Furnish and Install Drain for Fire Sprinkler)	\$2,286	Furnish & install drain for relocated fire riser in MRF per Belmont San Carlos Fire Department.
CCO 9 (Furnish and Install Roof Support for T/S Equipment)	\$1,835	Furnish and install roof support for roof-mounted Transfer Station mechanical units.
CCO 10 (Relocate PEIMB Bracing on Grid Line D)	\$1,601	Relocate PEIMB bracing to accommodate equipment & planned operations in MRF.
CCO 11 (Verify Invert of Existing Storm Drain Manhole 104)	\$785	Furnish invert elevation and as built information to facilitate response to City Review comments.
CCO 12 (FO 4 (Temp Paving Entrance 1, CPE 42))	\$34,365	Provide a temporary A/C paved roadway to re-establish Entrance 1 to the existing South Access Road for vehicular traffic from Shoreway Road to the new Scale House. Work performed and authorized via field order so as not to impede Allied Waste operations with construction activities.
CCO 13 (Add reinforcing steel at MRF)	\$1,600	Additional rebar ties at MRF Education Building foundation per City Building Permit review comments.
CCO 14 (FO 5 (MRF Backfill @ DSC))	\$7,051	Fill the void left by the concrete removal at the east of the MRF building pad adjacent to the scale house at the former "Recycling Area" and use imported quarry fine material to mix with in-situ soils in the surrounding areas to stabilize, the extent possible building subgrade.
CCO 15 (Millstone A Revisions)	\$0	Revise Millstone A and establish new completion date for Millstone A.1 as August 20, 2010.
CCO 16 (Delta 6 Revised Conveyor Pits: Excavation, Slabs & Walls)	\$70,467	Revise plan location & configuration of Conveyor Pits per Delta 6 Equipment Modifications - Excavation, concrete placement for walls and slabs ONLY.
CCO 17 (Dropped Grade Beam at MRF Truck Dock Ramp (RFQ10))	\$73,669	Revise (lower) grade beam configuration at the MRF Truck Dock Ramp, add concrete stem wall with precast cladding and concrete pedestals.
CCO 18 (Furnish Wide Flange Beams for Baler Equipment)	\$4,153	Furnish ten (10) W8x21 wide flange beams to be installed by others for the Baler Equipment attachment.
CCO 19 (Relocate Floor Drain for Baler Equipment)	\$2,266	Relocate MRF Building process area floor drain so that it is adjacent to the HRB Centurian Baler.
CCO 20 (Demolish Existing Materials Recycling Facility Conveyor Pits)	\$43,187	Remove & dispose of concrete and reinforcing for the unloose condition of the conveyor pit walls and slab at the existing MRF.
CCO 21 (FO 3 (Backfill Existing Materials Recycling Facility Conveyor & MRF))	\$48,744	Backfill the unloose condition of the conveyor and other sump pits at the existing MRF with drain rock and onsite fill.
CCO 22 (Mix and Re-Use Wet Soil from MRF Excavations)	\$20,970	Wet soil was encountered at the excavations required for the pits and surps at the existing MRF during demolition, which was determined to be an unloose condition. In lieu of off-hauling the unsuitable material at additional cost, it was re-conditioned & mixed with grinders to enable its use as backfill.
CCO 23 (MRF Slab Demolition and Removal)	\$20,364	The existing MRF Building slab was found to have an average thickness of 2" - 4" (average) over what was shown in the Contract Drawings.
CCO 24 (Change Wall Type/Add Vapor Barriers)	\$22,801	Revise wall types 9, 13, 23 & 24 at MRF & TS to include vapor barrier for conditioned spaces.
CCO 25 (Elevator Structural Steel)	\$3,382	Add and relocate structural steel members required per elevator manufacturer shop drawings.
CCO 26 (Truck Dock Bumpers and Levelers)	\$4,912	Contractor cost proposal to increase the depth and carrying capacity of the levelers in accordance with the supplier's & manufacturer's recommendations. Includes the extension of extension of truck dock bumpers per supplier's recommendations
CCO 27 (Str. Revisions to MRF Fin Wall)	\$5,275	Clarify the interaction of the canopies and wing wall on Line A.4 at 128 in the MRF Administration Building North elevation. Add structural steel.
CCO 28 (Anchors for Stud Wall Support)	\$1,551	Add angles for stud wall support in accordance with new detail 3/A/12.10 per Drawing Change Notice 18 (DCN 18).
CCO 29 (Canopy at West Elevation)	\$1,324	Revise canopy dimensions on west side of MRF admin building. (Increase in size).
CCO 30 (Corner Guard Attachment Revisions)	\$846	Revise installation requirements per shop drawing review comments.
CCO 31 (Shower Stall Modifications)	\$1,0077	Revise finish schedule requirements from tile to pre-fabricated shower stalls.
CCO 32 (Metal Panel Attachment Modifications)	\$7,048	Furnish and install metal backing for the attachment of the metal wall panel in accordance with Drawing Change Notice 93 and 94.
CCO 33 (Roof Equipment Structural Steel)	\$2,885	Contractor cost proposal to add wide flange beams for support of new TS roof-mounted equipment.
CCO 34 (Grid Line A.0 Bracing Relocation)	\$246	Relocate PEIMB bracing to accommodate future equipment conveyor in MRF.
CCO 35 (Concrete and AC Removal)	\$66,216	Demolish/remove AC thicker than shown on plans and demolish/remove concrete paving not shown on plans.
CCO 36 (Floor Beams for Equipment Support)	\$5,242	Install W8x21 beams per BHS requirements on Force Account.
CCO 37 (Reserve for Delta 4 "Operator Revisions")	\$50,000	Reserve MRF utility feed from 2000 amps to 2500 amps per equipment supplier. Relocate & resize MRF secondary utility feed and Architectural plan lay out to office space accordingly. (Electrical excluded from CCO 37).
CCO 38 (MRF Parapet Revisions)	\$37,104	Add structural support to MRF Admin parapet walls per City of San Carlos Building Permit review comments.
CCO 39 (Dropped Beams)	\$21,574	Extend dropped grade beam east of Line 6 along Grid A.
CCO 40 (Delta 6 Reinforcing Steel)	\$28,442	Relocate & resize MRF conveyor pits per Equipment supplier requirements - Furnish and install rebar only per CCO 40.
CCO 41 (Reinforcing Steel Additional Cost)	\$70,117	Additional cost for rebar at TS & MRF.
Subtotal Approved Changes	\$1,106,062	



Photo 1 & 2
MRF Admin structural
steel building erection &
Pre Engineered Metal
Building erection 6/10/10





STAFF UPDATE

To: SBWMA Board Members
From: Recycling Staff
Date: June 24, 2010 Board of Director's Meeting
Subject: Recycling and Outreach Programs Update

Recommendation

This is an informational report and no action is necessary.

Development of Recology San Mateo County Franchise Agreement(s) Summary Documents

Staff is managing a project that will result in preparing several concise summary documents pertaining to the Member Agencies Franchise Agreements with Recology San Mateo County (RSMC). The goal of this project is to provide Member Agencies with useful tools to facilitate administration of the Franchise Agreements and to assist with educating their staff with the contents and implications of the new contracts with RSMC. The summary documents will be developed and tailored for the different departments in each Member Agency that have a role in administering the contract or using the contractor's services. For example, the contract provisions/services pertaining to parks and recreation, public works, financial services, city clerk's office, risk management, contract compliance, city hall hotline, or other specific agency departments will be isolated and concisely presented in summary form, where feasible.

In addition to developing the summary documents, RethinkWaste will be conducting three half day workshops in September 2010 for staff at each Member Agency "impacted" by the new Franchise Agreements with RSMC. (If there is enough interest in these workshops, Staff will also offer follow-up webinars to supplement this effort.) Each workshop will be focused on distinct types of agency staff (e.g., contract administrators – Board Members, City Manager's office, City Clerk; direct service recipients – public works, parks and recreation; financial management – financial services staff.) Please submit to RethinkWaste by July 1, 2010, a staff directory or list of key staff that should be invited to the workshops. Also, please provide your agency's preference or constraints regarding scheduling/attending workshops in September. Staff will work with each Board member to determine the staff that should be invited to the workshops.

Curbside Inc., Door-to-Door HHW Program

Promotion of the new Door-to-Door HHW collection services program commenced in April with collection commencing in Mid-May. Currently, six Member Agencies have committed to participate in this program, including: Belmont, San Carlos, Hillsborough and the City of San Mateo in May, and Menlo Park and West Bay Sanitary District in August. One other agency (i.e., East Palo Alto) is currently considering joining the program in August.

The initial interest in the program has been strong and the company has scheduled over 1,000 residents since the first appointments for collection were confirmed beginning in early May.

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 collection 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 continuing with collateral development.

The single-family Garbage Cart Selection brochure was completed earlier this month and mailing started the week of June 7th. The mailing has been staggered over a three-week period to ensure that Recology is responding to customer calls and emails without delay. Responses to the brochure are due by July 9, 2010.

Staff will be presenting each Member Agency with a plan that details outreach efforts specific to their community by June 30, 2010. As part of these efforts, staff plans on holding a community meeting for each Member Agency sometime during the two weeks prior to the delivery of residential carts based on each Member Agency's cart delivery schedule set by Recology. These meetings would take place in the evening during the week, and residents would be invited as a way to learn more about the new collection services, see the new carts and ask question. Staff would like some assistance from the Member Agencies in planning these meetings. **Please submit to RethinkWaste by July 10, 2010** two possible dates (during the two weeks prior to the carts being delivered in your community) for your Member Agency's meeting, as well as locations to hold the meeting.

RethinkWaste and Recology staff will also be at various Member Agency community events starting this month through early fall to provide information to the public on the transition to new services. Recent and upcoming events include Burlingame Art in the Park, Menlo Park Block Party and Redwood City 4th of July.

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 3,985 pounds was collected in May 2010.

Community Events Recycling

RethinkWaste has begun providing recycling support at Member Agency community events through the use of its ClearStream Containers/Event Recycling Trailers. Previous events include the City of Foster City's Art & Wine Festival and City of Menlo Park's Sunset Celebration. Upcoming events include San Mateo Wine Walk, Highlands 4th of July event and Foster City's 4th of July event.

RethinkWaste Website

The RethinkWaste website has been updated to include information on the CartSMART residential collection program. The site will also be updated in July to include information on the Recology Commercial Blitz, and new BizSMART commercial collection services. Staff's goal is to make the website the go-to source for information on future collection services.

The site averaged approximately 418 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 RethinkWaste outreach promotion (i.e., E-Scrap Events). The most commonly visited sections of the site during this period were "Residents" and "CartSMART."

Shoreway Construction Webcams

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

The webcam link can be found at:

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

rethinker Newsletter

The Summer 2010 rethinker newsletter is currently in development and will focus on the Recology cart deliveries for the new services and new program information. This edition will be sent to residents in early July.

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. Since Member Agencies have recently shown an interest in including this requirement, RethinkWaste has budgeted funds for FY 2011 to annually publish a list of approved C&D processing facilities that are certified to accept material.

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 154 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	6
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	21
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
White Oaks Elementary School	San Carlos	3
Ralston Middle School	Belmont	10
Henry Ford Elementary School	Redwood City	3

Compost Giveaway

Nine Member Agencies participated in the Spring Compost Giveaway Events. Member Agencies are reminded that the volume of compost that Allied/Republic is required to provide annually is significantly more than the amount that has been used by Member Agencies. Thus, Member Agencies are encouraged to participate in the events and consider establishing permanent locations to distribute compost to the public year-round. Menlo Park holds approximately 5 events each season and San Mateo operates a site that is open weekly. In addition, East Palo Alto requested deliveries of bagged compost this spring to accommodate their elderly residents. Please let us know if your agency is interested in increasing its participation in this program.

Each Member Agency is entitled to:

- 1 cubic yard of loose finished compost per ton of commercial organic material delivered to Newby Island annually;
- or*
- 1 cubic foot of bagged compost per 2 tons of commercial organic material delivered.

The following table has been revised to illustrate that the aggregate amount of tonnage collected per year is available agency wide irrespective of the jurisdiction individual tonnage attributed to the Commercial Organics Collection Services. Staff previously conveyed that the annual allowable amount per Agency was based on that Agency's specific annual tonnage. Staff continues to encourage Member Agencies to increase their participation.

Member Agency	# of Events Held Spring 2010	Total Amount Compost Used to Date for 2010 at Spring Events	Compost Delivered to Agency Permanent Sites to Date *	Total Projected Amount of Compost Available for Member Agencies in 2010
Atherton	2	80		
Belmont	1	45		
Burlingame	2	80		
East Palo Alto	1	60		
North Fair Oaks	2	240		
Foster City	2	80		
Hillsborough	2	15		
Menlo Park	2	320		
Redwood City	1	130		
San Carlos	2	40		
San Mateo	0	-	520	
West Bay Sanitary District	0	-		
TOTAL SBWMA		1,090	520	

* through April 15, 2010



JULY – NOVEMBER 2010 BOARD AGENDA ITEMS (SUBJECT TO CHANGE)

July 22, 2010

- Update on Member Agency Residential Rate Setting: Rate Categories and Service Fees
- Resolution Approving Contract with R.J. Proto Consulting Group for Collection Services Transition Support for FY 2011
- Update on Public Education and Outreach Campaign
- Update on Storage and Use of Biodiesel in Collection Fleet and Transfer Trailers

August 26, 2010

(Cancel this meeting?)

September 23, 2010

- Approval of Recology 2011 Rate Application
- Approval of SBR 2011 Rate Application
- Update on Recology Cart Delivery and Recovery Plan
- Update on Recology Commercial Recycling Outreach Efforts
- Update on Public Education and Outreach Campaign

October 28, 2010

- Approval of Republic Services 2010 Shoreway Rate Application
- Approval of Republic Services 2010 Collection Rate Application

November 18, 2010

- Approval of Tipping Fee Adjustments for 1/1/11
- Bond Proforma Update