



A Public Agency

BOARD OF DIRECTORS
THURSDAY, November 17, 2016 at 2:00 p.m.

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

1. Roll Call

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time.

3. Adjourn to Closed Session – Pursuant to Government Code Section Govt. Code Sec. 54956.9 Conference with Labor Negotiator: Unrepresented employees- (All employees).

THE REGULAR PORTION OF THE MEETING IS ANTICIPATED TO START AT 2:15 PM

4. Roll Call

5. Additional Public Comment

6. Executive Director’s Report

7. Approval of Consent Calendar

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

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

8. Administration and Finance

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

9. Collection and Recycling Program Support and Compliance

- A. Staff Update on Household Hazardous Waste Program Options and Presentation by Larry Sweetser, Sweetser and Associates, (Principal)
B. Resolution Approving Contract for Financial Review Support and Negotiation Services to support Franchise Agreement Extension Negotiation Process

10. Shoreway Operations and Contract Management

- A. Resolution Approving Construction and Demolition MOU with Zanker Road
B. Staff Update on Fire Restoration Progress

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

- C. Resolution Approving Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy
- D. Resolution approving VRS Contract with South Bay Recycling

**11. Informational Items Only (no action required)**

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

**12. Board Member Comments**

**13. Adjourn**

---

MEMBER AGENCIES

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



# EXECUTIVE DIRECTOR'S REPORT





## STAFF REPORT

---

To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Executive Director's Report

---

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

1. **Administration & Finance**

**A. Shoreway Environmental Center's Bond Covenant Update:**

Extensive capital improvements on this site were completed in 2009/10. Financing for a majority of this vital, modernization work came in the form of two municipal bonds. One bond was retired in August 2009. The larger, second bond was issued for \$53M in 2009. This bond has a number of required performance measures, including the need for the SBWMA to maintain a 1.4 revenue to expenses ratio. This ratio has ranged from 1.55-2.0 during the past five years. This ratio is currently projected to be 1.48 through year-end which, although it meets the minimum bond covenant requirement, this figure represents the low end of the qualifying range. The gate rate adjustment scheduled for January 1, 2017 has been factored into the year-end projection. In recent years, agency reserves were used to meet this requirement but this action does not appear to be a sustainable option in the future. Staff will meet with City of San Carlos' Finance Department on November 15<sup>th</sup> to discuss long term strategies maintain compliance in this requirement.

**B. SBWMA Administrative Office: Expiring Lease**

The SBWMA administrative office lease expires on 6/30/17. The agency's Long Range Plan contains three options for future consideration, but none is financial feasible in the near term due to expense and current space constraints at the Shoreway site. Therefore, lease renewal discussions have been initiated with our landlord, the City of San Carlos, to determine pricing for a future term. It should be noted that local commercial real estate market rates currently remain at the high-end of the historic range.

**C. Staffing Update:**

On November 7<sup>th</sup>, a new *Environmental Educational Assistant*, Madison Guzman, joined the agency. Madison is an experienced environmental educator who fills the budgeted staff position that was previously occupied by Heather Co. Madison worked as a Conservation Educator at the Inland Empire Resource Conservation District and as an environmental intern with Acterra. She is a graduate of California State Polytechnic University, Pomona where she earned a B.S. in Environmental Biology with a minor in Regenerative Studies. Madison is a welcome addition to the team, and she will help us fulfill our core environmental educational values and mandated responsibilities as required by the state.

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

These vacant positions will be addressed in the forthcoming agency assessment that will be forwarded to the SBWMA board by December 1<sup>st</sup>. The SBWMA Executive Committee authorized this modified due date in response to the essential priority efforts needed to restore the MRF and Transfer Station to their pre-fire operational status.

## **2. Collection and Recycling Program Support and Compliance:**

### **A. 2017 Contractor Compensation Adjustment Application update:**

Member agencies continue their local rate setting actions to establish their garbage, recycling and organics rates for 2017. Staff provides technical support during this important process as requested. A survey indicates that this activity will conclude in January.

### **B. Household Hazardous Waste (HHW) handling:**

The current HHW collection contract (Waste Management's "At Your Door" program) expires on 12/31/16. At the time of this writing, Waste Management has not agreed to the SBWMA Board's request for modified contract cancellation language to reflect a 60-day cancellation clause with no associated penalties. Therefore, this contract will expire. Staff will mail a 6" x 9" notification postcard within two weeks to all 144,000 residential and multi-family accounts to provide notice of this program's termination.

At board direction, staff continues to evaluation future options for the handling of HHW materials in our service area. Anticipating the termination of the WM "At Your Door" program, Staff has worked closely with the County's HHW program to fully leverage the relative strengths of both organizations. Staff recommendations are complete and will be discussed at this board meeting during a presentation by SBWMA HHW technical consultant, Larry Sweetser (Sweetser & Associates).

### **C. Franchise Agreement Negotiations Committee (FAX):**

This project is a top priority for staff. The FAX Committee is working closely with the project Negotiation Team, staff and Recology San Mateo County (RSMC) to deliver a Model Franchise Agreement to the SBWMA TAC for their consideration on April 13<sup>th</sup>, 2017 and, ultimately, to the SBWMA Board for final consideration on April 27<sup>th</sup>, 2017.

Staff conducted a Request for Qualifications (RFQ) to solicit expert financial and negotiation support for this project. Two qualified firms, R3 Consultants and HFH Consultants, were invited to respond by November 1<sup>st</sup>. Interviews with these firms were held on November 7<sup>th</sup> and 8<sup>th</sup> to review their proposed strategies to meet project goals. At the conclusion of the RFQ selection process, Staff recommended HFH Consultants to the FAX Committee on November 10<sup>th</sup>. The FAX Committee concurred with this recommendation. The SBWMA Board will provide final consideration on this item today as agenda item 9C. The FY 16/7 has \$100k budgeted for these services.

### **The Negotiation Team consists of:**

- Joe La Mariana, Hilary Gans, Cyndi Urman (*SBWMA staff*)
- Expert financial consultant/negotiator (*to be considered by SBWMA Board today*)
- Jean Savaree (*ADCL—legal support*).
- Ron Proto (*RJ Proto Consultants—subject matter expert*)
- Tracie Bills (*SCS Engineers—providing staff support*)

The Negotiation Team and RSMC management met on November 2<sup>nd</sup> and November 3<sup>rd</sup>. These preliminary talks identified many anticipated negotiation topics and provided Staff with an excellent foundation for the upcoming talks. The first FAX Committee meeting between the complete Negotiation Team and RSMC

representatives will be held on December 7<sup>th</sup>. Additional FAX Committee meetings are scheduled for January 12, February 6 and 21, March 8 and 28, 2017. The Negotiation Team meetings are to be confirmed.

In between FAX Committee meetings, the Negotiation Team will meet frequently with RSMC senior management to discuss and obtain non-binding agreement on key issues. The Negotiation Team will then report back to the FAX Committee regarding their incremental progress for their deliberation and concurrence on these key negotiation issues. This sequence of meetings will continue through late March 2017, or until all outstanding differences and issues have concurrence between the parties.

### **3. Shoreway Operations and Contract Management**

#### **A. Fire Recovery Update:**

Facility cleanup activities are now complete at the MRF. The remaining restoration emphasis is now focused on facility, systems and processing equipment repair and replacement. This facility is currently expected to return operation in January 2017, even as building repairs are still being completed..

Repair and replacement of all MRF processing equipment is being conducted by its original manufacturer, BHS Systems. This work qualifies as sole source. All other repairs to the building and major operating systems are being procured through standard, competitive bid practices. Staff and SBR management continues to work closely with Hanover Insurance claims representatives to ensure maximize conformance with its reimbursement approval requirements. Staff, South Bay Recycling, Hanover Insurance, and SBWMA construction management representative, Tanner Pacific, have established a weekly batched invoice review protocol to maintain strict expense review, tracking, approval and payment controls. To date, site work has totaled \$2,213,442. To date, the agency has received \$2.5M in advance payments.

Transfer Station restoration and equipment replacement has also begun under a second insurance claim and is estimated at less than \$1 million dollars. This work is expected to be completed in March 2017. An updated staff report for both projects will follow during agenda item 10B.

#### **B. Vocational Rehabilitation Services (VRS):**

As noted at the SBWMA's October board meeting, the County approved a new **Living Wage Ordinance**. This ordinance has four phased adjustments through 2020. This ordinance directly affects the wage scale that is paid to the VRS program workers (recycling sorters) that work in our MRF. Staff is working closely with the County and South Bay Recycling to incorporate this wage scale into our MRF operations financial plans. This ordinance is estimated to have an unbudgeted impact on the MRF cost of operations of \$134,068 for the remaining five months in FY16/17 (February-June) that the MRF will be operating. The annualized budget impact is estimated at \$321,765.

#### **C. Construction & Demolition Materials Processing:**

The SBWMA's contract with Zanker Road Resource Recovery (Zanker) in San Jose for C&D processing that expires at the end of January 2017. As previously reported, staff is working actively with Zanker to renew this important agreement. A short-term MOU is being prepared to extend the current agreement's terms to allow the parties to properly complete these discussions. An update will follow under agenda item 10A later today.

Respectfully submitted,



Joe La Mariana  
Executive Director





# CONSENT CALENDAR





**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
October 27, 2016 – 2:00 p.m.  
San Carlos Library Conference Room A/B**

**Call To Order: 2:03PM**

**1. Roll Call**

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto		X	San Mateo	X	
Foster City		X	County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

**2. Public Comment**

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

Each speaker is limited to two minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting.

If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time.

Menlo Park TAC Member Heather Abrams noted that Executive Director La Mariana had asked her to mention an effort that the City of Menlo Park has recently gotten underway. Menlo Park is working on a zero waste plan, and potential rate restructuring. They are looking at rates to address potential cross subsidization issues between commercial and residential rates, and looking at a rate structure that supports all of the services, with the right incentives to meet AB939 goals. She added that Menlo Park has just started this process, and they are potentially welcoming other Cities to work with Menlo Park, to potentially create a rate structure that would be in alignment throughout the SBWMA Service Area. She closed by noting that if Board Members are interested, she is available to discuss further one on one.

**5. Executive Director's Report**

Executive Director La Mariana brought attention to some of the items in his report, as well as some items that have come up since the writing of the staff report. He noted the investment fund transfer of two SBWMA investments was completed on October 14. The transfer was driven by a change in regulations. He also mentioned some administrative items, and noted the details were in the staff report. There was a public records request fulfilled by staff, and thanked Staff Urman for taking the lead in fulfilling that request. He talked about staffing noting that there are 8 authorized and budgeted FTEs, 7 are staff employees, and one position that contracted through the LGS Contract which was terminated on September 23 filled. This leaves an equivalent of 3 positions open in an 8 staff organization. He noted that one of the openings, the

Environmental Education Associate has just been filled and that Madison Guzman will start on November 7. He also thanked Board Member Aguirre for her help in the hiring process. He also noted that the other two vacant positions are currently being filled through the use of contractors, which are not expected to exceed what would normally have been paid in salary.

Member Bonilla is now present.

Executive Director La Mariana then noted that Member Agency work on Recology's 2017 rates is underway, and SBWMA staff will be available for Member Agency support as needed. He also mentioned the Franchise Agreement Extension Negotiations Committee (FAX), and that good collaborative work has happened so far. He noted the first meeting of the FAX committee would be on November 10, and the first meeting with Recology would be on December 7. He added that there is a two tier track of meetings, with a Negotiation Team (consisting of staff, legal, financial/negotiator and subject matter experts) meeting with Recology in between the FAX Committee meetings. The goal is to come to the Board in April or May 2017 with a final draft of a Uniform Franchise Agreement and Recology's base pricing for these services. would then would go out to each Member Agency to be considered at the governing bodies of each Agency.

Executive Director La Mariana gave a quick update on the fire noting that reopening looks like it will happen in February. He noted that there was a necessary layoff on October 13, of 10 SBR employees, and 9 employees are being retained. He also noted that the VRS workers have been reassigned to other areas. He also gave an update regarding VRS, noting that staff is working closely with the County to adopt their living wage ordinance, and he gave an overview of the impacts, and noted that there will be future Board discussion on these impacts.

Executive Director La Mariana noted that the SBWMA contract with Zanker Road for Construction and Demolition recycling is expiring on January 31, 2017, and that staff is in negotiations for an MOU to add an additional three months to the current term while a contract is negotiated and other options are explored.

Lastly, Executive Director La Mariana reminded the Board and everyone in the room of the annual Holiday Lunch to be hosted before the Board Meeting on November 17. He also invited everyone to an Open House celebration of America Recycles Day on November 19, at the Shoreway Environmental Center.

Executive Director La Mariana then mentioned some items not included in his report, for the Board's future consideration. The lease to the SBWMA office space is up on June 30, 2017, so he will be entering into discussion with the City of San Carlos regarding future lease price options. He also noted that Peninsula TV has reached out to him and Recology and they are putting together a 10-12 part series on the Solid Waste and Recycling Industry and the do's and don'ts, and there are several ways the Agency can be involved. He also noted that Board Member Widmer has contacted him regarding a local artist that has a passion for environmental education through art.

Member Widmer added that Michael Killen, a Menlo Park resident, who is very well known throughout the country for his artwork that talks about the issues associated with climate change and other environmental impact issues. He noted that his artwork is very large, and after a tour of the MRF 6 or 7 months ago he was inspired to create a painting that could be turned into a banner that would hang off of the building as a piece of education. He noted that there are costs associated with this work that the SBWMA would pay for, and that he has also asked Recology if they would participate in the costs, so there needs to be final discussions on the costs. He invited Board Members to see his artwork at Atherton City Hall on November

9<sup>th</sup>, and he also has a show on Peninsula TV.

Executive Director La Mariana closed by thanking Member Stone for his service on the Board, noting that this was his last meeting representing Belmont on our Board and he welcomed Alternate Member Davina Hurt into the lead board role representing Belmont.

Member Benton asked if staff had any idea what triggered the public records request.

Executive Director La Mariana answered no, the trigger for this request is unknown..

## 6. 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. Approve minutes of September 22, 2016 Board of Directors Meeting

Member Bonilla made a motion to approve the consent calendar

Member Stone seconded the motion

Roll Call Vote: 8-0-1-4

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

## 7. Administration and Finance

### A. Discussion of Annual Financial/Operational Audits (Frequency)

Executive Director La Mariana discussed the contractual and regulatory obligations for financial and operational auditing. He added that some audits are driven by regulations, and some are driven by good business practice. The current Franchise Agreement language has layer upon layer of protection with the reporting, so the Franchise Agreement Extension discussions offers an excellent opportunity to look at the contract and simplify things in the next contract. He noted that it does seem that there is a lot of time spent on reporting, but with that said, there are good reasons to do reporting. The financial and operational audits are integrated, and serve as a data source for rate setting and financial tracking, and he suggested continuing to do those audits annually. He suggested further pulling back on the contamination monitoring audits to annually rather than bi-annually, as performance integrity all rolls into the rates. He added that audits on the SBR side of the operation are particularly important because the audit typically focuses on the scale house and the buyback, and those are a cashed based exchanges. He also added that all of the information at the public, commercial and franchised scales rolls into the rate review process, and the audits keep that process honest, and keeps the integrity of the data that is used to set rates. He also noted that there are examples of audits being done every two to three years, and yes that would save money on the auditing function, but the tradeoff is if the auditors find something that has to be trued up during the rate review process, it requires going back in time on rates. He pointed out that the audits tend to be the very first step in the budget process as well, so between the budgeting and the rate setting process there is a very good reason to continue to do the audits on an annual basis.

Staff Gans added that the financial and operational audits for SBR are linked, and can't be pulled apart because the audits measure tons, and tons translates to dollars immediately at Shoreway. He suggested the possibility of going through a check list of what's on the operational audit that the Board might want to spend time reviewing, and he agreed that the financial auditing of Recology's operations is important to conduct annually.

Member Widmer noted that over the last 2-3 years the Board has looked at these audits, and on many items there is no action taken other than the report. He recommended that Recology and SBR do self-audits, with a report to the Board, and the contractor audits be every 2-3 years, because the audits are finding 1% and the threshold is 5-10%. He also noted the contamination audits and that there was some action taken in the past, and he thought that action could be limited if contamination was audited more often. He also noted that he agreed with Executive Director La Mariana on any audits where cash is handled should be done annually.

Member Benton commented that he wanted to broaden the discussion to monthly reporting as well as auditing, and wondered if reports were needed monthly, and if doing them quarterly would save any money.

Chair Grassilli asked staff to put together a specific list of all the audits, and a staff report where the board could vote on which audits to do, and how often.

Member Brownrigg commented that he was glad to be having the discussion, but would like management to make a recommendation, understanding the balance between the tradeoffs.

Member Benton commented that the town of Hillsborough has periodically asked for a report confirming that Recology and Hillsborough are getting paid for all of the pickups they are doing, and the backyard service they are carrying out, and he would still like to be able to get those reports on request.

## **8. Collection and Recycling Program Support and Compliance**

### **A. Resolution Approving WM Curbside for Door-to-Door HHW Collection and Discussion of Options**

Executive Director La Mariana noted that he was following up on previous discussion the Board has had on this topic. He noted that the current contract for HHW collection services expires on December 31, 2016, and the Board needs to make a decision on how to proceed. The options are to 1) enter into a new agreement with WM Curbside for the same HHW collection services provided over the last 5 years, at the new proposed set of prices. 2) To not renew the WM Curbside contract, and proceed with notifying the public that the program is being discontinued as of January 1, 2017 3) Provide direction to staff to implement temporary HHW collection events at Shoreway and develop an alternative HHW collection plan to be presented at the January Board of Directors meeting. He then gave the pricing details in the new WM Curbside contract, and noted that the number doubles by the end of the proposed 5 year term, but noted that the service WM Curbside provides has very high customer satisfaction. He also noted that when WM Curbside started this contract they were driving to Richmond, and now the facility is in Tracy, so the transportation component has gone up quite a bit. He also noted that he spoke to WM Curbside about the possibility of a one year contract, but in the pricing model they are proposing only years 3-5 are profit years for the company. He also commented that the Board gave staff the direction to look at other options, noted in the staff report, and that staff is working very closely with San Mateo County's HHW on opportunities to leverage the advantages of both organizations.

Member Aguirre asked if there was a choice for where the facility it's being transported is, noting the cost increase due to the change in facility from Richmond to Tracy.

Executive Director La Mariana answered that it is dictated by the contractor not the SBWMA, he did note that staff has had some high level conceptual discussions about the possibility of working with WM Curbside to have a drop off facility at Shoreway, the key would be that the revised pricing on the collection would have to offset the cost of the facility, and that pricing remains unknown at this point.

Member Widmer commented that the state rebate for paint that is picked up through the WM Curbside program is not included in the dollar figure. He also commented that he thought hazardous waste could be added to the shred and ewaste events that are already a part of the Franchise Agreements.

Executive Director La Mariana noted that the agency does receive quarterly checks in the \$20,000 range that are backed out of the program costs.

Member Benton asked what the transportation would be if hazardous waste items were to be dropped off at Shoreway.

Executive Director La Mariana answered that it would depend on the material type, HHW is very tightly regulated and there are limited facilities that process it.

Member Benton asked for clarification of WM Curbside picks up at the residents home and drops off at Shoreway it still has to go someplace off site, so how much of a savings would it really be by making a drop off facility at Shoreway. He also asked what is permitted to be dropped at Shoreway now.

Staff Gans answered the materials accepted at Shoreway are universal waste. He noted that there are different types of waste based on their safety threat and toxicity. Universal waste is batteries, motor and cooking oil, latex paint, fluorescent lights, and other automotive fluids, and sharps. He added that household hazardous waste being discussed today are items that are more acutely toxic, like pool chemicals, oxidizers, pesticides and herbicides, oil based paint, turpentine and solvents, etc. These have to be handled in a more specific and regulated way.

Member Benton agreeing with all that has been said that these materials need to be kept out of the landfill, and only 5% is being picked up through this program, looking at raising the participation rate either through this program or another program should be a priority, not the cost of the program.

Executive Director La Mariana commented that hazardous waste tends to be the kind of thing that aggregate in garages and sheds, and gets cleaned out occasionally.

Member Bonilla asked why the program exists in the first place.

Executive Director La Mariana answered that the program exists as part of the AB939 requirement to keep HHW out of landfills, and overtime this is the program that has evolved in our service area. The material has been identified as hazardous because it presents a very direct threat to the health of the community and to the environment, and specifically out of landfills because of ground water contamination.

Member Stone noted that he has seen his neighbors throwing hazardous waste into the garbage bin, and asked what to do when it ends up in the wrong place.

Executive Director La Mariana noted that there are several other levels of interception of the material. By law at Shoreway there is a requirement to have a load inspection program to visually try to identify material and pull it out, but noted that it's a challenging battle with the amount of tons at Shoreway every day. Additionally the landfill has the same requirement, so there are several tiers of checks for incorrect disposal. And he recommended strong public outreach, and making the tools convenient for people to dispose correctly.

Member Stone followed up on the public education component, noting that he didn't think most people knew they could drive to Shoreway to drop off many items. He then asked based on the information in the staff report that San Ramon is going to get \$0.79 per household in 2017, what the rest of that contract look like.

Executive Director La Mariana noted that he could get that information, but didn't have it at the meeting.

Member Dehn asked what happens if all of the Member Agencies opt out by year two of the contract.

Executive Director La Mariana answered that the HHW collection program has always been a pass through program, so the SBWMA would not be responsible if Member Agencies dropped the contract. The contract does make an assumption that there would be 85,000 households of the 144,000 in the service area, and if it dropped below that number of participating households that cost would go up.

Chair Grassilli commented that he would like to see the drop off events at \$5,000 estimated per event, rather than spending \$600M over 5 years. He would like to see balance between what needs to be done with how much it costs.

Member Widmer commented that he agreed with the Chair that \$120,000 for two events per year in every jurisdiction is a reasonable cost. He also noted that the staff report stated that the County hosts collection events, but that he's never seen them advertised, and he's never known about them.

Member Aguirre asked if there was data on contamination in jurisdictions that don't have HHW programs. She also noted that she wasn't sure if a collection event based program was implemented how many people would drive to them, noting that often the people that have the most accumulation are seniors who can't get out. She would like to see data on what the contamination could be if the door to door program is dropped.

Executive Director La Mariana noted that if the Board doesn't renew the contract and is looking at other options staff is inclined to look at options 3 (collection events) or 4 (permanent facility at Shoreway) or 3 and 4 in the staff report.

Member Widmer noted that he likes option 5, and would like to work with Recology on HHW collection.

Executive Director La Mariana commented that staff talked to Recology regarding a similar program they have in San Francisco, but for various reasons Recology has obstacles to making it work here.

Member Benton commented that he used the program and found it awkward, with the plastic bags, and in the end he ended up using the Tower Road facility instead, and that may be why there is only a 5% usage rate, and he'd like to spend more time trying to fix the low usage rate rather than the cost.

Member Brownrigg commented that he sensed that the Board was leaning toward centralized events, and noted that he didn't think residents would drive to neighboring cities for these events, so then it's going to be \$60,000 to host one event a month, how does Burlingame then pay for that.

Executive Director La Mariana answered that it would be passed through the same way shredding events are if more than one event outside of the Franchise Agreement is held. He also added that \$5,000 is just the fixed cost, there is variable cost component based on the material collected and the disposal costs associated with it.

Chair Grassilli asked if Member Brownrigg was considering one per month per agency at \$120,000.

Member Brownrigg answered yes, to be serious about diversion, the events have to be often enough to be convenient.

Chair Grassilli noted that the options will be brought back to the Board for future discussion, but today the Board needs to vote on whether to extend the contract.

Member Bonilla made a motion to extend the contract for five years with the 60 day opt out per agency.

Member Stone seconded the motion.

Chair Grassilli asked for clarification that if a Member Agency decides to discontinue the contract, they will not be charged for any of the remaining years of the contract.

Counsel Savaree noted that if it's not in the contract, and that is the direction of the Board, staff will go back and negotiate that point with the contractor.

TAC Member Murray from the City of San Mateo mentioned that the costs have already been built into the rates for 2017, so if there is a 60 day out in the contract there is a whole year to look at options.

Executive Director La Mariana noted that in the current contract there is a 60 day out, but that he would need to verify that going forward.

Member Widmer would like to verify the 60 day out, and no penalty.

Member Brownrigg noted that it might not be a problem if one Member Agency drops, but what happens if all 12 drop the program, and he would like to get clarification on that point before moving forward.

Member Bonilla added that he would like to see the Agency getting more creative about outreach regarding HHW.

Member Stone agreed there should be more outreach.

Member Brownrigg commented that he would like to see staff working on the special events option, and thinks that is where the HHW program will wind up, and suggested running a few events to see how much is diverted, and whether or not it's more effective.

Roll Call Vote: 8-1-0-3

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

B. Update on Expiring Franchise Agreement Negotiation Process

Executive Director La Mariana noted that he touched on this in his Executive Director's report.

Member Widmer asked that the TAC review the final draft Franchise Agreement.

Member Benton asked if the contract terminates automatically or if there has to be notice to terminate if there is a decision to go to RFP.

Executive Director La Mariana the contract would end on December 31, 2020 absent of any other action.

9. Shoreway Operations and Contract Management

A. Update on Shoreway Materials Recovery Facility Fire Claim and Restoration Process

Staff Gans noted that this was discussed at the last meeting, and this is the second staff report to keep the Board updated. The staff report includes the details and costs so far, and by the next Board meeting staff will have more accurate costs and completion dates available. He added that a question about coverage continually comes up, and staff and the Board want to ensure that the costs for the work being done to repair the facility will be fully covered by insurance. He noted that he has met repeatedly with the insurance company, and they have a good set up for claims processing and reviewing the work that is being done. There is a Hanover agent on site 8 hours a day at Shoreway. The process being followed is that before the work proceeds there is a quote or time and materials arrangement, that quote is reviewed with the insurance agent, they authorize moving forward with the work quoted, and then Hanover has a forensic accountant onsite that monitors the level of effort, amount of staff, amount of materials, and then certifies the invoices. The invoices then get sent to our staff for payment, and then our staff sends them to Hanover for reimbursement. He added that the hope is this process with a Hanover representative onsite will mitigate in discrepancies, and mitigate the SBWMA's exposure to dispute. He then talked about the restoration work that is continuing on the building and explained the extensive cleaning process Signal restoration is using. He noted that the bill of this cleaning is going to be over \$4.5M and will take at least a month. He also noted that there is significant business income loss due to the impact of having to transport recyclables off site, and that loss is also covered by Hanover. He added that staff is working closely with SBR to understand what the costs of normal operations would be, and what the costs are currently with transportation and figuring out what the gap is, and the gap will be the amount billed to Hanover for

business income loss. He concluded that so far \$1.5 has been received from Hanover so far, so from a cash flow standpoint it's about even right now.

Member Benton asked if there was a plan to better understand the cause, so that this doesn't happen again.

Staff Gans answered that no one knows the source, which is very frustrating. There is an extensive camera system at Shoreway, and there happened to be a camera pointed on the piece of equipment where the fire started, so there is real time footage of the fire. He added that multiple people have looked at the footage, and nobody knows the source, so where it started is known, but what started it is unknown. He noted that fires are not infrequent at the facility, and they are usually caused by lithium ion batteries on the tipping floor when material is being pushed around. He stated that this is unique in the industry because the fire started in the system, not on the tipping floor. It also wasn't a mechanical friction fire, which is also common. He added that possible leading theories are that it was an oil soaked rag that wrapped around a piece of equipment and heated up, and once it caught fire it stayed on fire and perpetuated. Or possibly a propane canister that ignited. He added that from the video it shows that the ignition source stays in one place in the equipment, and catches recyclables on fire which are then carried by the conveyor belt throughout the facility. Going forward more fire suppression will be added, and staff is investigating and getting professional input on where to add fire suppression.

Member Widmer asked if there were any other changes, improvements or upgrades planned, since this a unique opportunity to implement those improvements.

Staff Gans answered yes, and that he would be back at the November Board meeting with a capitol request for some items. He added that there is a list of items, and staff would like to be able to do them all while the facility is down, but the timing of getting 3 bids, and doing the work during the short time frame that the facility is down is not realistic, so the request will be for the most critical items.

#### B. Review of Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy

Executive Director La Mariana noted that under the purchasing policy it was established that there was an emergency, and there are provisions that allow staff to move forward with the work and then bring contracts back to the board each month that have been let. He noted that on page 2 of the staff report, there is a list of the contracts and purchase orders that have been let related to fire restoration and repair, which represent about 60% of the work that needs to be done.

Member Benton asked if the contract for \$4.7M with Signal was a signed agreement.

Executive Director La Mariana answered yes it has been signed.

Counsel Savaree added that the contract has been reviewed and approved by Hanover as acceptable, and they will reimburse for that amount.

Member Bonilla made a motion to approve Resolution 2016-39

Member Widmer seconded the motion

Roll Call Vote: 9-0-0-3

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

### C. Update on South Bay Recycling Staffing Gap

Executive Director La Mariana commented that through the Operations agreement with South Bay Recycling, SBR is required to maintain a certain level of staffing, and a site manager position had been vacant for 6 months and because of that there is a gap of \$52,500 which will be invoiced through the regular monthly invoice process and the SBWMA will be reimbursed for that amount.

### 10. Informational Items Only (no action required)

- A. September 2016 Check Register Detail
- B. Technical Consulting and Professional Services Agreements for 3<sup>rd</sup> Quarter 2016
- C. Potential Future Board Agenda Items

### 11. Board Member Comments

Member Stone thanked everyone on the Board and noted that he would be stepping aside and becoming the alternate, and his colleague Davina Hurt will be taking over representing Belmont on the RethinkWaste Board.

Chair Grassilli adjourned the meeting in honor of Member Stone.

### 12. Adjourn 3:33PM



## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Consideration of Approval of 2017 Merit Increase Pool for Unrepresented Employees

### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution 2016-40 hereto authorizing the following action:

Approval of the merit pool for calendar year 2017 of 3% of wages as assumed in the adopted FY 16-17 budget.

### Analysis

SBWMA employees are eligible for consideration of a merit increase at least annually per a process delineated in the employee compensation policy, usually on January 1. Per the policy an employee is considered for a merit increase (or not) based on the following these factors:

- a. The employee's annual written performance appraisal measured against predetermined goals and objectives.
- b. The employees current position within the existing salary range, and his/her salary relative to internal and external comparable positions.
- c. Merit increases shall, in aggregate, not exceed the budget allocations for salary increases as defined in the annual budget unless approved by the Board of Directors.

The Executive Director completes annual performance reviews using an employee evaluation and performance plan form as attached (Attachment A). Employees also submit regular goal status updates to the Executive Director.

Standard salary administration practices call for periodic review and adjustment to the marketplace. This agency has historically conducted these reviews on a three-year cycle and, because this review was last conducted in 2013, a salary survey was conducted in May 2016. Here are the results:

<b>2016 Salary Range Survey</b> <i>Conducted by Regional Government Services, April 2016</i>			
Position:	Current Salary Range/Year	Survey Results: Salary Mean	% of Mean compared to top of SBWMA Range
Finance Manager	\$112,196-\$140,245	\$140,244	0%
Facility Operations Contract Manager	\$112,196-\$140,245	\$141,996	-1.23%

Recycling Program Manager <sup>1</sup>	\$112,196-\$140,245	\$150,612	-6.89%
Recycling Outreach & Sustainability Manager	\$112,196-\$140,245	\$142,980	-11.72%
Office Manager/ Clerk of the Board	\$59,659-\$74,573	NA	NA
Environmental Coordinator	\$65,267-\$81,580	NA	NA
Environmental Associate	\$52,208-\$65,250	NA	NA

<sup>1</sup> Contractor through Local Government Services with PERS benefits.

### Background

The employee compensation policy was adopted by the Board of Directors on November 19, 2009. Salary ranges are reviewed periodically by the Board and last adjusted per Board approval on June 27, 2013. The table below summarizes approved merit increase pools over the past five years.

<b>Board Approved Merit Increase Pool</b> <i>(Calendar Year)</i>				
2012	2013	2014*	2015	2016
2%	1.5%	4.5%	3%	3%

\*See note below from "Personnel Summary" attachment to FY 13-14 budget.  
 \*A Compensation Survey completed April 2013 shows that the agency's four management positions, excluding the Executive Director, are from 7-16.3% below the salary median for comparable positions and 9.4% to 23.1% below total compensation median from comparable positions.

The current Board approved salary ranges, by position, are included in the table below:

<b>2017 SBWMA Staff Positions: Salary Ranges</b> <i>(as set by Board on June 27, 2013)</i>				
Position:	Status	Current Salary	% of Top of Salary Range	Current Salary Range/Year
Finance Manager	Filled	\$125,860	89.7%	\$112,196-\$140,245
Facility Operations Contract Manager	Filled	\$138,958	99%	\$112,196-\$140,245
Recycling Program Manager <sup>1</sup>	Open	----	---	\$112,196-\$140,245
Recycling Outreach & Sustainability Manager	Open	----	---	\$112,196-\$140,245
Office Manager/ Clerk of the Board	Filled	\$68,120	91.3%	\$59,659-\$74,573
Environmental Coordinator	Filled	\$70,721	86.7%	\$65,267-\$81,580
Environmental Associate	Filled	\$53,602	82.1%	\$53,602-\$65,250

<sup>1</sup> Contractor through Local Government Services with PERS benefits.

### Fiscal Impact

The adopted FY16-17 budget assumes a fiscal year total amount for merit increases of all unrepresented staff is \$21,275. The total adopted FY 16-17 SBWMA program budget is \$4,048,226.

The assumed annual merit increase pool of 3% wages has been adjusted to reflect staff vacancies in 2016 (Recycling Outreach & Sustainability Manager; Recycling Programs Manager and Environmental Educational Associate.) The adjusted merit increase totals \$15,456 for calendar year 2016, or half this amount which is \$7,381 for FY 16-17.

**Attachments:**

Resolution 2016-40



## RESOLUTION NO. 2016-40

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A 2017 MERIT INCREASE POOL FOR UNREPRESENTED EMPLOYEES

**WHEREAS**, the Board of Directors met in closed session on November 17, 2016 and reviewed the employee compensation policy, including information on a proposed merit increase pool of three percent (3%) of wages for calendar year 2017 merit increases; and

**WHEREAS**, the Board of Directors finds that a merit increase pool of three percent (3%) of wages is reasonable and consistent with the 2017 Budget for the Authority;

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a merit increase pool of three percent (3%) of wages for 2017 for unrepresented employees.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, 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. 2016-40 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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



## STAFF REPORT

---

**To:** SBWMA Board Members  
**From:** Cyndi Urman, Board Secretary  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Approval of 2017 Board Meeting Calendar

---

### Recommendation

It is recommended that the SBWMA Board of Directors approve a 2017 Board of Directors meeting calendar.

### Summary

Staff recommends continuing with a 4<sup>th</sup> Thursday meeting as there are not any Member Agency governing body meetings on this day of the week. It should also be noted that CCAG meetings are currently held the 2<sup>nd</sup> Thursday of the month starting at 6:30 pm and ABAG typically meets the third Thursday of every other month. Thus, it would be advisable to continue to schedule SBWMA Board Meetings on the 4<sup>th</sup> Thursday of the month.

### Analysis

The 2 pm time frame on the 4<sup>th</sup> Thursday of the month was chosen to avoid as many regional conflicts as possible. Staff has analyzed the action items that take place at the Board level on a monthly basis, and recommends keeping a 10 meeting per year schedule, one per month except August and December, and canceling meetings if there are not any action items in a given month.

### Background

The SBWMA Board monthly meetings have historically been held the on the fourth Thursday of the month starting at 2 pm. This day of the week and time was selected so as to minimize any overlap with Member Agency governing body meetings on Monday-Wednesday and other regional government meetings. As requested by the Board of Directors, staff has also checked the national holiday calendar and found no conflicting dates with any major national or religious holidays. In June 2017 there is a League of California Cities Executive forum for Mayors and Council Members from June 28-30 that does conflict with the June Board meeting. Staff sends out the Board packet one-week prior to the Board meeting.

### Fiscal Impact

There is no fiscal impact associated with continuing a monthly meeting calendar.

### Attachments

Attachment A – Proposed 2017 Board Meeting Dates

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**  
**2017 BOARD MEETING SCHEDULE**

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

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

January	26	2017
February	23	2017
March	23	2017
April	27	2017
May	25	2017
June	22	2017
July	27	2017
August	NO MEETING IN AUGUST	
September	28	2017
October	26	2017
November	16* (Third Thursday)	2017
December	NO MEETING IN DECEMBER	

\* The 4<sup>th</sup> Thursday of November falls on the Thanksgiving Holiday; the Board Meeting has been scheduled for the week prior.



## STAFF REPORT

---

**To:** SBWMA Board Members  
**From:** Hilary Gans, Facility Operations Contracts Manager  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Approval of Shoreway Environmental Center MRF Equipment Capital Equipment Baler Refurbishment Project

---

### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-42 attached hereto authorizing the following action:

**Approval of Shoreway Environmental Center MRF Equipment Capital Equipment Baler Refurbishment Project.**

### Analysis

Staff conducted a competitive bid process that resulted in a low-bid received by Recycling Equipment Repair, Inc. nearly all of the materials processed at the MRF are baled as a last step in the recyclable material sorting process prior to sale. The Shoreway MRF has two balers that receive high-wear and that require major refurbishment every 5-10 years. The Harris baler is in need of refurbishment and staff is taking the opportunity, during the MRF fire restoration downtime to perform necessary repairs with the goal of having the baler back in operation prior to the restart of the MRF.

Recycling Equipment Repair was the low bid at \$91,926.26. There are several major components that are internal to the machine that cannot be assessed until the baler is disassembled (specifically, the hydraulic system that cannot be analyzed until the machine is dismantled and the components are performance tested off-site). The dollar amount of the resolution includes a contingency of \$58,073.74 in case these hydraulic components need to be rebuilt.

### Background

The SBWMA owns two balers as part of the MRF processing equipment. The balers function to compress paper and containers into bales that are sold into commodity markets. Major capital repairs and refurbishment of the balers are the responsibility of the SBWMA.

### Fiscal Impact

The Harris Baler refurbishment was anticipated in the capital budgeting process for FY16/7. The MRF equipment capital reserve balance is \$1.72M.

### Attachments:

Resolution 2016-42



## RESOLUTION NO. 2016-42

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVAL OF SHOREWAY ENVIRONMENTAL CENTER MRF EQUIPMENT CAPITAL EQUIPMENT BALER REFURBISHMENT PROJECT

WHEREAS, SBWMA owns and maintains the processing equipment at the Shoreway MRF; and

WHEREAS, the Harris Baler is in need of refurbishment work; and

WHEREAS, the SBWMA has a capital budget for MRF equipment replacement and refurbishment.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a contract with Recycling Equipment Repair, Inc. for the Harris baler refurbishment in the amount not to exceed amount of \$150,000.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, 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. 2016-42 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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



---

STAFF REPORT

---

To: SBWMA Board Members  
From: Jean Savaree, General Counsel  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Code of Conduct for Proposers

---

**Recommendation**

On January 25, 2007, the SBWMA Board of Directors adopted both a Board Member and Proposed Code of Conduct Applicable to the Contractor Selection Process which governed the conduct of the Board and potential contractors as the Board received and reviewed proposals which ultimately led to the selection of Recology of San Mateo County to provide recyclable materials, organic material and solid waste collection services through franchise agreements with SBWMA.

To insure an open and fair process during franchise negotiations, the Codes of Conduct prohibited ex parte contacts between potential contractors and SBWMA Board Members. The Codes of Conduct also prohibited potential contractors from giving gifts to Board Members, staff or consultants.

Pursuant to Article 3 of the Franchise Agreements with Recology, Term of Agreement, Subsection 3.02, Term, the current franchise agreements will terminate on December 31, **2020**, unless extended, as provided for in Subsection 3.03, Extension of Term. The process to consider an extension is to be conducted in calendar year 2017 through a "meet and confer" process.

As SBWMA now begins this "meet and confer" process regarding extension of the franchise agreements, staff recommends approval of the attached (revised) Codes of Conduct for Recology (Contractor) and the SBWMA, Board, its committees, staff and consultants. The revisions, shown in redline/strikeout, have been made to show the Board how the Codes have been revised to reflect their applicability to the contract extension process and all parties now participating in the process.

**Attachments:**

- A. Revised Contractor Code of Conduct for the SBWMA Contractor Selection Process for Collection and Operating Services
- B. Redlined – Contractor Code of Conduct for the SBWMA Contractor Selection Process for Collection and Operating Services (available online only at <http://www.rethinkwaste.org/>)
- C. Revised SBWMA Code of Conduct Applicable to the Franchise Agreement Extension Negotiation Process
- D. Redlined SBWMA Code of Conduct Applicable to the Franchise Agreement Extension Negotiation Process (available online only at <http://www.rethinkwaste.org/>)



**A Public Agency**

**REVISED CONTRACTOR CODE OF CONDUCT  
FOR THE SBWMA CONTRACTOR SELECTION PROCESS  
FOR COLLECTION AND OPERATING SERVICES**

---

Agenda Item 7E ATTACHMENT A

---

**CONTRACTOR CODE OF CONDUCT  
FOR THE SBWMA CONTRACTOR SELECTION PROCESS  
FOR COLLECTION AND OPERATING SERVICES**

The South Bayside Waste Management Authority ("SBWMA") is a joint powers authority among the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; towns of Atherton and Hillsborough; the West Bay Sanitary Service District; and the County of San Mateo ("Member Agencies"). The SBWMA is entering into a meet and confer process to discuss an extension of the Member Agency Franchise Agreements ("Agreements") with Recology San Mateo County ("Contractor") for the collection, processing, of solid waste, recyclable materials, and organic materials within the jurisdiction of the SBWMA.

The Board Members of SBWMA are obligated to comply with the Political Reform Act of 1974 ("PRA") and the Brown Act (Government Code §56950 et seq.).

SBWMA has a desire to maintain a process free from any undue influence and the appearance of impropriety. SBWMA prepared this "Contractor Code of Conduct".

Contractor is responsible for ensuring compliance with the following Code of Conduct. Contractor's responsibility to comply with this Code of Conduct shall extend to its employees, agents, consultants, lobbyists, or other parties or individuals engaged for the purposes of developing or supporting Contractor's proposed extension of the current Agreements.

The Contractor's Code of Conduct is presented below:

**1. Ex Parte Contacts Prohibited**

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for and award of Agreements' extensions with Contractor, whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, the Technical Advisory Committee and SBWMA employees and consultants are prohibited from having any verbal or written communications (ex parte contacts) with Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor's proposed extension of the Agreements except in the course of a legally noticed meeting of the SBWMA Board, or any meeting of the Franchise Agreement Extension Committee, Technical Advisory Committee, or in conjunction with a meeting authorized by the SBWMA Executive Director which involves SBWMA staff and/or consultants as part of the meet and confer process for an extension of the Agreements.

## **2. Gift and Compensation Prohibited**

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Agreements' extensions, whichever comes later, Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor's proposed extension of the Agreements are prohibited from giving any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) to an SBWMA Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff and/or consultant.

Please be aware that any Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff or consultant who accepts such a gift or compensation may be subject to censure by the SBWMA Board. Any SBWMA staff member who violates this policy may be subject to discipline including termination of services and any consultant who violates this policy may be subject to termination of services. If Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained for the purpose of developing and supporting Contractor's proposed extension of the Agreements violates this policy as to gifts or compensation, the SBWMA Board may terminate further contract extension discussions.

## **3. Other Proposals/Offers Prohibited**

From November 17, 2016 to December 31, 2017, or prior to the SBWMA and Member Agencies conclusion of the meet and confer process for an award of Agreements' extensions, whichever comes later, Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor's proposed extension of the Agreements are prohibited from proposing or offering to provide any services within the SBWMA service area related to non-hazardous solid waste, recyclable materials, or organic materials management to any individual Member Agency (or subgroup of Member Agencies), its elected officials, or appointed officers or representatives. If such behavior occurs, the SBWMA Board may terminate further contract extension discussions.



**A Public Agency**

**REDLINED CONTRACTOR CODE OF CONDUCT  
FOR THE SBWMA CONTRACTOR SELECTION PROCESS  
FOR COLLECTION AND OPERATING SERVICES**

**[AVAILABLE ONLINE ONLY AT WWW.RETHINKWASTE.ORG](http://WWW.RETHINKWASTE.ORG)**

---

Agenda Item 7E ATTACHMENT B

---



**REVISED SBWMA CODE OF CONDUCT  
APPLICABLE TO THE FRANCHISE AGREEMENT  
EXTENSION PROCESS**

---

Agenda Item 7E ATTACHMENT C

---

**SBWMA CODE OF CONDUCT  
APPLICABLE TO THE FRANCHISE AGREEMENT EXTENSION NEGOTIATION  
PROCESS**

**1. Ex Parte Contacts Prohibited**

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Franchise Agreements (Agreements) extensions with Recology San Mateo County (Contractor) whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, Technical Advisory Committee, and any SBWMA employee or consultant are prohibited from having any verbal or written communications (ex parte contacts) with Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained for the purpose of developing and supporting the Contractor's proposed extension of the Agreements, except in the course of a legally noticed meeting of the SBWMA Board, Franchise Agreement Extension Committee, Technical Advisory Committee meeting, or in conjunction with a meeting authorized by the Executive Director which involves SBWMA staff and/or consultants as part of the meet and confer process for a contract extension.

If any such unauthorized ex parte contact occurs, the Board member shall disclose its occurrence at the next meeting of the SBWMA Board that next follows the said ex parte contact.

**2. Gift and Compensation Prohibited**

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Agreements extensions, whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, Technical Advisory Committee, and any SBWMA employee or consultant are prohibited from accepting any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) from Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting the Contractor's proposed extension of the Agreements.

Please be aware that any Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff or consultant who accepts such a gift or compensation may be subject to censure by the SBWMA Board. Any SBWMA staff member who violates this policy may be subject to discipline including termination and any consultant who violates this policy may be subject to termination of services. If Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting the Contractor's proposed extension of the Agreements violates this policy as

to gifts or compensation, the SBWMA Board may terminate further contract extension discussions.

**3.** It is understood that this Code of Conduct is in addition to any other applicable state or local regulations that apply to the conduct of the SBWMA Board, the Franchise Agreement Extension Committee, Technical Advisory Committee, SBWMA employees and consultants.



**A Public Agency**

**REDLINED SBWMA CODE OF CONDUCT  
APPLICABLE TO THE FRANCHISE AGREEMENT  
EXTENSION PROCESS**

**[AVAILABLE ONLINE ONLY AT WWW.RETHINKWASTE.ORG](http://WWW.RETHINKWASTE.ORG)**

---

Agenda Item 7E ATTACHMENT D

---





## STAFF REPORT

To: SBWMA Board Members  
 From: Farouk Fakira, Finance Manager  
 Date: November 17, 2016 Board of Director's Meeting  
 Subject: Approval of Quarterly Investment Report for the Quarter Ended September 30, 2016

### Recommendation

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

### Analysis

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of September 30, 2016, the investment portfolio was in compliance with the Investment Policy. The portfolio contains sufficient liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

### Fiscal Impact

The attached Investment Portfolio Summary indicates that as of September 30, 2016, funds in the amount of \$17,424,918 were invested, producing a weighted average yield of 0.52%.

Below is a summary of the changes from the last quarter.

	<b>Qtr Ended 9/30/16</b>	<b>Qtr Ended 6/30/16</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 17,424,918	\$ 22,086,038	\$ (4,661,120)
Weighted Average Yield	0.52%	0.48%	0.04%
Interest Earnings	\$ 24,394	\$ 23,006	\$ 1,388

The total portfolio balance decreased by \$4,661,120. The decrease is primarily due to transfers of money from the investment account to the operating account for operating expenses related to disposal and processing costs and operator compensation due to timing in making payments in June for \$1,633,550.65 for May's SBR payment, and Ox Mountain, Newby, and Zanker's disposal expenses for \$1,216,879.84. In addition, the principal of \$1,310,000 and interest \$1,405,956.25 payments for the 2009 Series A bond paid in September also contributed to the decrease. The slightly higher weighted average yield resulted in slightly higher interest earnings.

A table comparison of the portfolio components is provided below:

	<b>9/30/2016 Balance</b>	<b>% of Total</b>	<b>6/30/2016 Balance</b>	<b>% of Total</b>	<b>Change over Prior Quarter</b>
SM County Pool	\$ 6,274,875	36%	\$ 5,762,103	26%	\$ 512,772
LAIF	6,513,338	37%	10,003,104	45%	(3,489,766)
Bond Account	4,636,705	27%	6,320,831	29%	(1,684,126)
<b>Total Portfolio</b>	<b>\$ 17,424,918</b>	<b>100%</b>	<b>\$ 22,086,038</b>	<b>100%</b>	<b>\$ (4,661,120)</b>

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

Due to arbitrage restrictions, bond investments are not included in our LAIF rate or investment pool comparison. As of September 30, 2016, the bond reserve and payment accounts of approximately \$4.6 million were invested with the trustee in short-term investments.

As of September 30, 2016, investments in the County Investment Pool totaled 36% of SBWMA's funds available for investment pools (see Attachment 1). The percentage is within the range specified by the SBWMA Board.

The average yield of the portfolio in the quarter excluding the bond proceeds was 0.71%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending June 30, 2016, was 0.60%. The San Mateo County Pool average yield for the quarter was 0.82%.

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

#### **Attachments**

- A – Summary of All Investments for Quarter Ending September 30, 2016
- B – Investment Portfolio 9/30/2016 - Chart
- C – Historical Summary of Investment Portfolio

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

**SUMMARY OF ALL INVESTMENTS**  
For Quarter Ending September 30, 2016

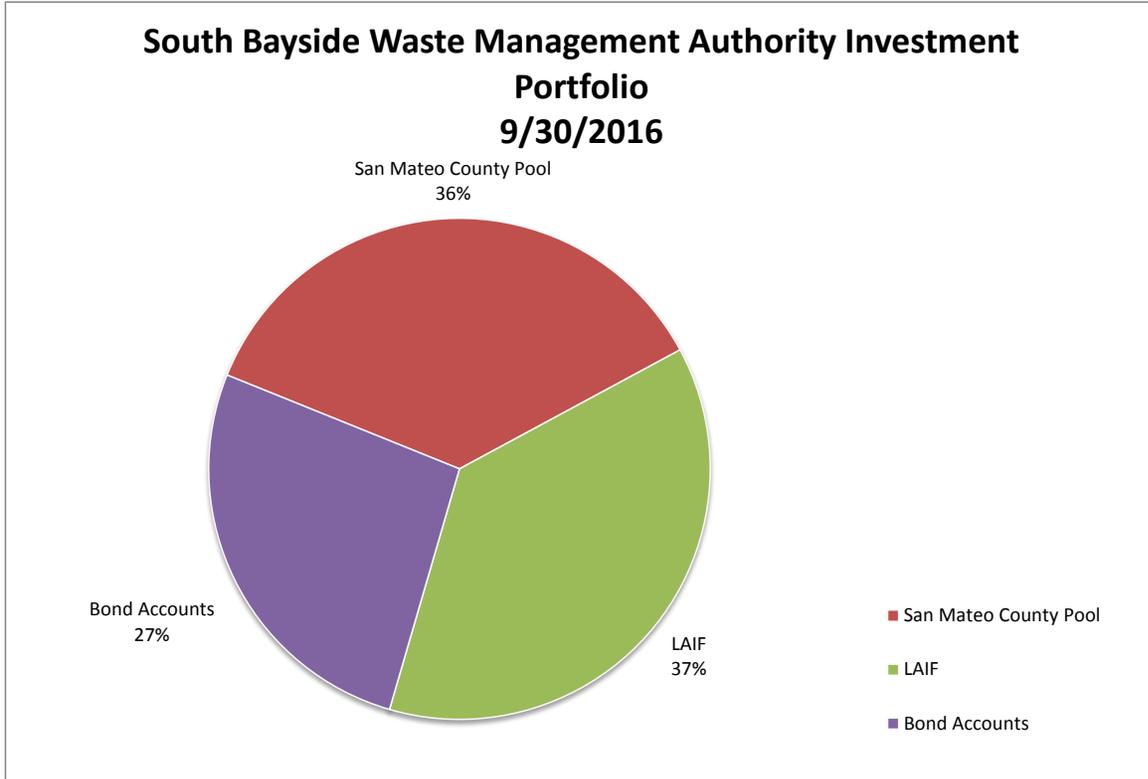
Category	Weighted Average Interest Rate	Historical Book Value	% of Portfolio	GASB 31 ADJ Market Value*	Interest Earned
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	0.82%	\$ 6,274,875	49%	\$ 6,274,875	14,477
Local Agency Investment Fund (LAIF)	0.60%	6,513,338	51%	6,515,332	9,917
<b>Total - Investments</b>	<b>0.71%</b>	<b>12,788,213</b>	<b>100.00%</b>	<b>12,790,206</b>	<b>24,394</b>
<b>Bond Accounts - Cash with Fiscal Agents</b>					
BNY Western Trust - Certificates of Deposit <sup>^</sup> 2009A Reserve Fund Account	0.00%	-		-	-
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account	0.00%	4,125,407		4,125,407	-
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account	0.00%	511,298		511,298	-
<b>Total - Bond Accounts</b>	<b>0.00%</b>	<b>4,636,705</b>		<b>4,636,705</b>	<b>-</b>
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>0.52%</b>	<b>17,424,918</b>		<b>17,426,911</b>	<b>24,394</b>
<b>Total Interest Earned This Quarter</b>				<b>24,394</b>	
<b>Total Interest Earned Fiscal Year-to-Date</b>				<b>24,394</b>	

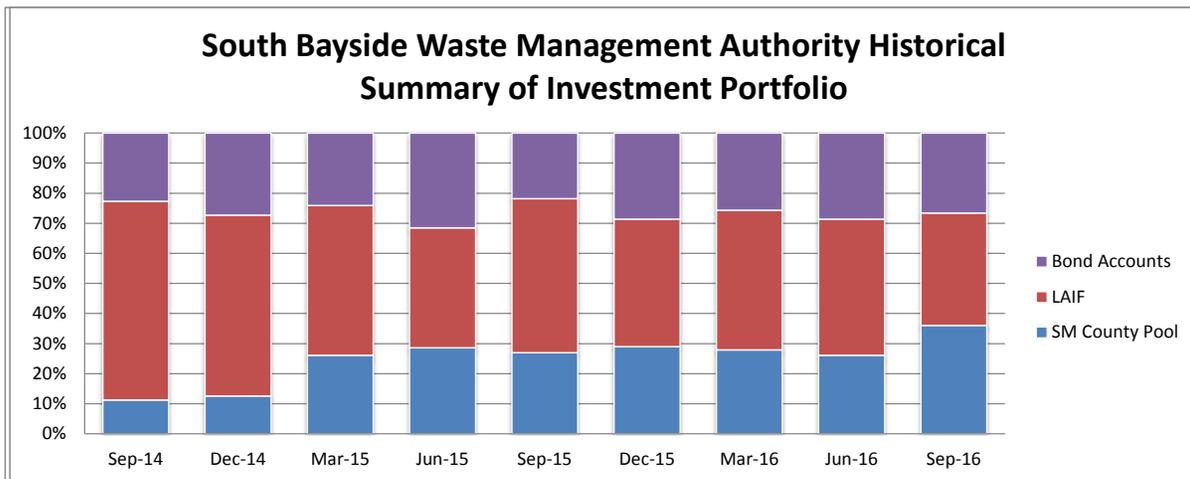
<sup>^</sup> - The last Certificate of Deposit matured on 3/24/2016. There was no interest earned during the quarter.

**Note: SBWMA Board approved the following investment mix at its January 22, 2015 meeting:**

LAIF - 50% to 70%  
COPOOL - 30% to 50%

\*Difference in value between Historical Value and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools will decrease or increase accordingly. However, interest rate fluctuations does not have any impact to SBWMA's balance in the investment pools. The market values are presented as a reference only.





**South Bayside Waste Management Authority Portfolio**

	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
SM County Pool	2,293,037	2,596,754	5,700,859	5,719,002	5,728,746	5,739,190	5,750,398	5,762,103	6,274,875
LAIF	13,448,147	12,456,035	10,864,026	7,971,342	10,878,169	8,385,354	9,593,633	10,003,104	6,513,338
Bond Accounts	4,628,312	5,659,274	5,264,849	6,296,018	4,631,288	5,662,254	5,289,337	6,320,831	4,636,705
<b>Grand Total</b>	<b>\$20,369,496</b>	<b>\$20,712,063</b>	<b>\$21,829,734</b>	<b>\$19,986,362</b>	<b>\$21,238,203</b>	<b>\$19,786,798</b>	<b>\$20,633,368</b>	<b>\$22,086,038</b>	<b>\$17,424,918</b>





# ADMINISTRATION AND FINANCE





## STAFF REPORT

---

**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
Farouk Fakira, Finance Manager  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Update on Bond Covenant Impacts with tipping Fee Increases Effective 1/1/17

---

### Recommendation

This report is informational and no action is required by the Board. The following Shoreway tipping fee adjustments were approved in June 2016 by the Board with approval of FY16/17 Budget.

#### Effective July 1<sup>st</sup>, 2016:

- Increase public solid waste disposal rates from \$36/cubic yard to \$38/cubic yard (5.6% or \$2/cubic yard)
- Increase public clean plant material and wood from \$25/cubic yard to \$27/cubic yard (8% or \$2/cubic yard)
- Increase public C&D rate from \$33/cubic yard to \$35/cubic yard (6.1% or \$2/cubic yard)

#### Effective January 1<sup>st</sup>, 2017:

- Increase franchised solid waste disposal rate from \$94/ton to \$104/ton (10.64% or \$10/ton)
- Increase franchised organics from \$96/ton to \$106/ton (12.77% or \$10/ton)
- Increase public inerts from \$81/ton to \$91/ton (12.35% or \$10/ton)
- Increase public solid waste disposal from \$38/cubic yard to \$41/cubic yard (7.89% or \$3/cubic yard)
- Increase public clean plant material and wood from \$27/cubic yard to \$29/cubic yard (7.4% or \$2/cubic yard)
- Increase public C&D rate from \$35/cubic yard to \$38/cubic yard (8.57% or \$3/cubic yard)

### Analysis

When evaluating potential adjustments to the Shoreway facility tipping fees, staff prepares and reviews the following information:

- Updated calendar year 2016 and 2017 financial projections to capture any changes in forecasted inbound tonnage and yardage from franchise and non-franchise customers, commodity revenue, and operating expenses.
- Review the projected net operating surplus/shortfall for 2017 assuming various tipping fee adjustment (per ton and per yard rates) scenarios. We start first with the base case scenario of what tipping fees were assumed in the Board adopted FY1617 budget and then “test” this and other scenarios against compliance with bond debt covenant requirements (i.e., break even test and debt coverage ratio of 1.4). Basically, we see if using the base case tipping fees still keep us in compliance with the bond covenants and to what extent any changes are needed or can be made to the base case tipping fees.

In completing the updated financial projections, we also take a preliminary look at how the projected net income affects our cash reserve balances. Undesignated cash reserve is tracking above what we last projected per the adopted FY16/17 Budget figures due to the tipping fees increases from the prior fiscal year.

## Updated SBWMA Financial Projections for Calendar Year 2016 and 2017

Updated financial projections for calendar year 2016 and 2017 are shown in **Table 1** below. The 2017 projection for franchise and public revenue is based on the recommended tipping fees for 2017. See the notes below the table that explain notable variances in the table.

Table 1

estimate	Calendar Year		% Change	% of Total
	2016 Projection	2017 Projection		
<b>Operating Revenue</b>				
<sup>1</sup> Franchise Revenue	27,279,739	30,206,881	10.7%	61.1%
<sup>2</sup> Public Revenue	8,503,843	9,496,457	11.7%	19.8%
<sup>3</sup> Commodity Material Sales	6,771,391	8,820,697	30.3%	18.4%
<sup>4</sup> Commodity Revenue Sharing	(305,599)	(897,639)	193.7%	-1.9%
Buyback Payment (moved from Shoreway)	(877,781)	(877,780)	0.0%	-1.8%
Commodity Sales, Net	5,588,011	7,045,278	26.1%	14.7%
<sup>5</sup> HHW Program	658,128	836,128	27.0%	1.7%
Other Revenue	308,646	446,912	44.8%	0.9%
<sup>6</sup> Insurance reimbursement	1,499,133	-	-100.0%	0.0%
<b>Total Operating Revenue</b>	<b>43,837,499</b>	<b>48,031,656</b>	<b>9.6%</b>	<b>100.0%</b>
<b>Operating Expenses</b>				
<sup>7</sup> SBR Operating Expense	17,769,772	18,621,128	4.8%	41.6%
<sup>8</sup> Disposal Expense	16,059,982	16,755,068	4.3%	37.5%
Shoreway Facility & Maintenance	207,072	226,563	9.4%	0.5%
<b>Total Operating Expense</b>	<b>34,036,827</b>	<b>35,602,758</b>	<b>4.6%</b>	<b>74.1%</b>
<sup>9</sup> SBWMA Program Budget	2,869,256	3,411,279	18.9%	7.6%
Franchise Fee	1,704,000	1,891,000	11.0%	4.2%
HHW Program	658,128	836,128	27.0%	1.9%
Ed Center Operations	57,107	62,818	10.0%	0.1%
Insurance & Sewer	273,294	272,409	-0.3%	0.6%
Other Expense	330,401	335,227	1.5%	0.7%
<b>Total Other Expense</b>	<b>5,561,786</b>	<b>6,473,634</b>	<b>16.4%</b>	<b>14.5%</b>
<b>Total Expense</b>	<b>39,598,613</b>	<b>42,076,392</b>	<b>6.3%</b>	<b>94.1%</b>
<b>Non-Operating</b>				
Interest (Income)	(91,858)	(92,024)	0.2%	-0.2%
Interest Expense	2,793,446	2,739,175	-1.9%	6.1%
Subtotal	2,701,588	2,647,151	-2.0%	5.9%
<b>Total Expense</b>	<b>42,300,201</b>	<b>44,723,543</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Net Operating Income</b>	<b>\$ 1,537,299</b>	<b>\$ 3,308,112</b>	<b>115.2%</b>	
<b>Other Payments</b>				
Shoreway Capital Expenditures	322,804	567,250	75.7%	
Miscellaneous	-	-	0.0%	
Bond Principal Payments	1,270,000	1,310,000	3.1%	
<b>Net Cash Flow</b>	<b>(55,505)</b>	<b>1,430,862</b>	<b>-2677.9%</b>	
Designated Reserve Funding	500,966	443,725		
<b>Undesignated Cash Flow</b>	<b>(556,471)</b>	<b>987,138</b>		
<b>Bond Covenant Requirements</b>				
Break Even Test (greater than 1.0)	1.00	1.04		
Debt Coverage Test - Greater than 1.4)	1.46	1.93		

Foot Notes:

- 1 - Franchise price increase of 10.6% for 2,885K and volume increase of .2% for \$42K.
- 2 - Public price increase of 10.9% for \$924K and volume increase of .8% for \$69K.
- 3 - Commodity revenue is lower due to loss of revenue due to the fire in September, 2016.
- 4 - Due to no revenue sharing for the months of September thru December, 2016 due to the fire in September, 2016.
- 5 - HHW is higher Due to 27% increase in rate.
- 6 - Lost income due to fire and expected reimbursement from the insurance company
- 7 - SBR operating cost is higher due to Lower adjustment of -.95% for (\$169.4K); volume increase of 5.74% for \$1,430,862.
- 8 - Disposal Rate increase of 6.4% for \$970KK and (1.8%) volume decrease for (\$274.9K).
- 9 - SBWMA Program is higher by \$341.3K due to employee salary savings, \$135k for Recology contract negotiations.

The projected net income for calendar year 2017 results in meeting both bond covenant tests of break-even ratio of 1.04 and debt coverage ratio of 1.93. This leaves us in a secure and comfortable position.

**Attachment A** provides a series of tables with back-up detail on operating revenue and expense information used in the 2016 and 2017 financial projections.

**Table 2** shows the revenue generated from each rate category. Overall, the lion share of our tipping fee revenue comes from franchise sources at nearly 76% with self haul customers delivering materials to our Shoreway facility making up the balance at 24%.

**Table 2**

	2017 PROJECTION			
FRANCHISE	Yards	Tons	Revenue	% of Total
Solid Waste		182,364	\$ 18,966,575	47.8%
Residential Organics		101,666	\$ 10,776,609	27.1%
Commercial Food Waste		0	\$ -	0.0%
Inerts		4,404	\$ 402,430	1.0%
Other		614	\$ 61,266	0.2%
<b>Total Franchise</b>		<b>289,048</b>	<b>30,206,881</b>	<b>76.1%</b>
<b>SELF-HAUL</b>				
Solid Waste	58,778		\$ 2,409,822	6.1%
Green Waste	48,855		\$ 1,416,892	3.6%
C&D	97,795		\$ 3,715,835	9.4%
Public Dirt		5,694	\$ 540,888	1.4%
Non-SBWMA SW (Tons)		3,077	\$ 338,428	0.9%
Non-SBWMA SCRAP (Tons)		171	\$ 10,260	0.0%
Non-SBWMA FOOD (Tons)		1,054	\$ 124,358	0.3%
Non-SBWMA C&D (Tons)		5,705	\$ 593,368	1.5%
Non-SBWMA ORGANIC (Tons)		22	\$ 2,365	0.0%
Non-SBWMA Assphalt Roofing		1,251	\$ 130,085	0.3%
Non-SBWMA Clean Wood		16	\$ 1,232	0.0%
Public Other Misc			\$ 212,924	0.5%
<b>Total Public</b>	<b>205,427</b>	<b>16,990</b>	<b>9,496,457</b>	<b>23.9%</b>
<b>TOTAL</b>	<b>205,427</b>	<b>306,038</b>	<b>39,703,338</b>	<b>100.0%</b>

### Background

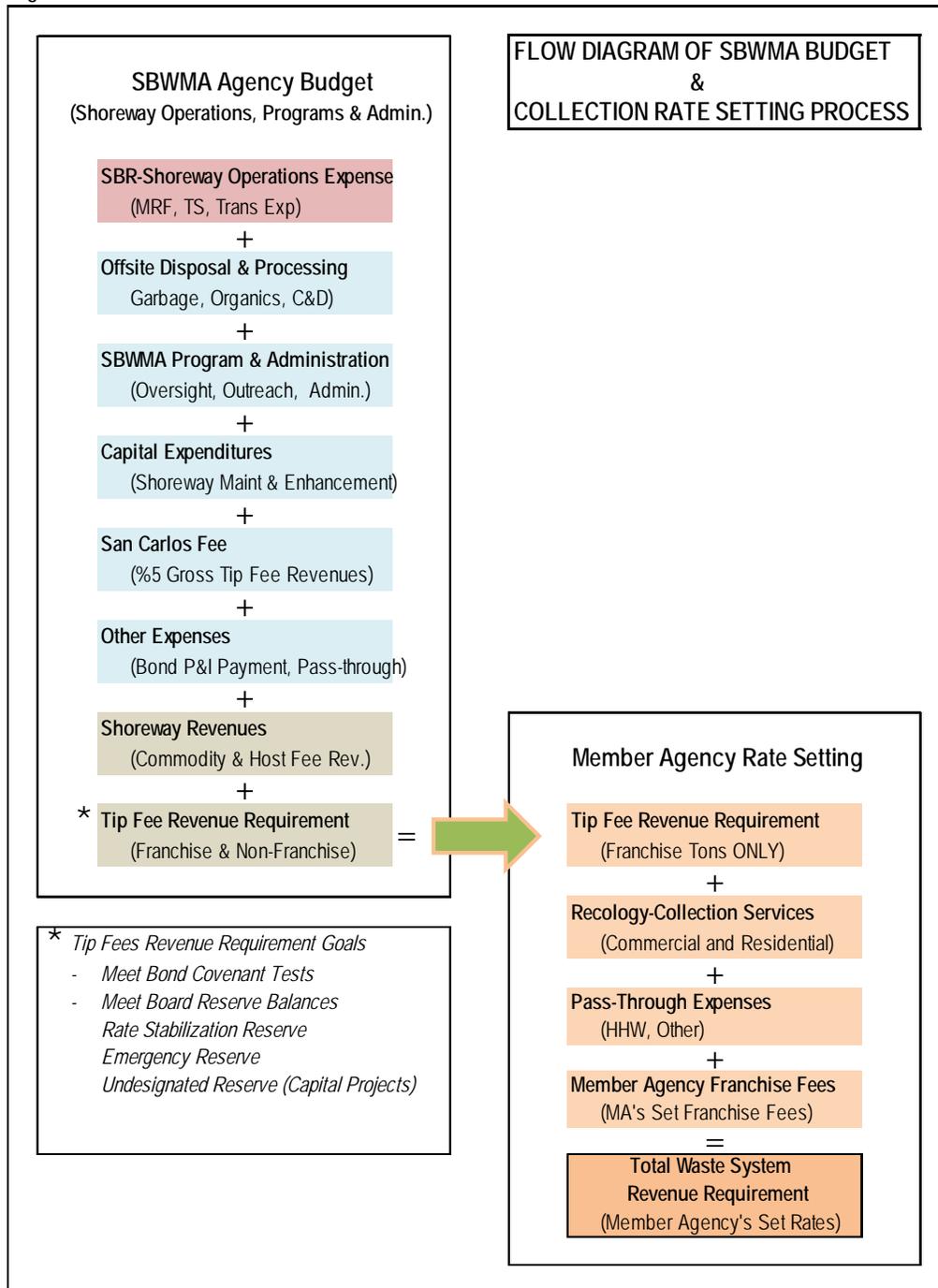
These tipping fee adjustments are the same as what was assumed in the adopted FY16/17 Budget for franchise rates.

Overall, we are forecasting flat tonnage and volumes in 2017 vs. 2016 but also higher than expected SBR operating costs of \$1,146,367 due to disruption to MRF processing of commodities due to the fire for four months in 2016, and which was offset by a saving of \$242,000 due lower transportation compensation due to a favorable fuel index forecast of 38.3% compared to 2016.

Disposal and processing rates (for garbage, organics, and C&D) are also increasing on average 4.3% for 2017. Net operating income is projected to increase 115.2% (see **Table 1** on p. 2 of the staff report). Given all of the above, the assumed tipping fee increases are needed to maintain our minimum bond debt covenant requirements (i.e., break even test and debt coverage ratio of 1.4) and to maintain a healthier undesignated cash reserve balance.

The assumed franchise tipping fees in the adopted FY16/17 Budget are the same tipping fees used in the disposal and processing expense projection in the SBWMA Final Report on Review of 2017 Recology Compensation Application, approved by the Board in September. **Figure 1** on the next page captures how tipping fees are incorporated into the collection revenue requirement for Member Agency annual solid waste rate setting.

Figure 1



Historical tipping fees at the Shoreway facility are summarized below. There was a rate increase on July 1<sup>st</sup>, 2016, and a proposed tipping fee increase on January 1<sup>st</sup>, 2017.

**Table 3**

Effective Dates:	1/1/2011	7/1/2011	1/1/2012	1/1/2013	1/1/2014	1/1/2015	1/1/2016	7/1/2016	1/1/2017
<b>Description/Rates</b>								Approved	Approved
Franchised Solid Waste (Ton)	\$90	No Change	\$88	\$91	\$92	No Change	\$94	No Change	\$104
Franchised Organics (Ton)	\$79	No Change	\$89	\$92	\$94	No Change	\$96	No Change	\$106
Franchised Food Waste (Ton)			\$101	\$104	\$107	No Change	\$107	No Change	\$118
Public Solid Waste (Cyd)	\$40	\$35	\$33	\$34	\$35	No Change	\$36	\$38	\$41
Public C&D (Cyd)	\$29	\$29	\$29	\$30	\$32	No Change	\$33	\$35	\$38
Public Green Waste (Cyd)	\$25	No Change	\$22	\$23	\$24	No Change	\$25	\$27	\$29

**Fiscal Impact**

The recommended tipping fee adjustments have the effect of increasing SBWMA franchise revenue by \$2,783,766 which has an approximate 2.8% impact on residential customer solid waste collection rates,

Table 4 below shows the 2.8% impact of franchise tip fee increases on total collection rates and each Member Agency's estimated rate impact. The table also shows the potential impact on the residential 32-gallon cart size rates. (Note: only Member Agencies set rates so this table is hypothetical and uses 2016 collection rates).

**Table 4**

<b>Shoreway Franchise Tip Fee Increase: January 1, 2017 - 10.43% - \$10.00 Estimate</b>			
<b>2016 Collection Rate Impact</b>	<b>% Increase *</b>	<b>Residential Monthly Rate Impact (32 gal.) Cost/Month</b>	<b>2016 32 gal. rate / mo</b>
Atherton	3.1%	\$ 1.72	\$ 55.00
Belmont	2.3%	\$ 0.81	\$ 35.17
Burlingame	2.8%	\$ 0.67	\$ 23.85
East Palo Alto <sup>1</sup>	3.5%	\$ 1.44	\$ 40.77
Foster City	2.8%	\$ 0.61	\$ 22.00
Hillsborough	2.3%	\$ 1.19	\$ 50.80
Menlo Park	2.8%	\$ 0.66	\$ 23.40
N. Fair Oaks	3.2%	\$ 0.87	\$ 27.31
Redwood City	3.0%	\$ 0.81	\$ 27.30
San Carlos	2.5%	\$ 0.79	\$ 31.18
City San Mateo	2.7%	\$ 0.58	\$ 21.08
West Bay Sanitary	2.7%	\$ 1.00	\$ 37.60
County San Mateo (CFA)	2.6%	\$ 0.92	\$ 35.90
<b>TOTAL SBWMA AVERAGE</b>	<b>2.8%</b>	<b>\$ 0.93</b>	
<sup>1</sup> All residential accounts receive a 96-gallon garbage cart.			
* The rate increase % is for total collection revenue. Member Agencies decide how to allocate the actual rate increase across residential and commercial account service levels.			

**Attachments:**

Attachment A - Back-up Financial and Operational Data

**Attachment A**

**Back-up Financial and Operational Data**

This attachment provides additional supporting data for the 2016 and 2017 financial projections in the staff report.

**Operating Revenue**

1. **Table 1** provides tonnage, yardage and weighted average tip fee data for 2016 and 2017.

**Table 1**

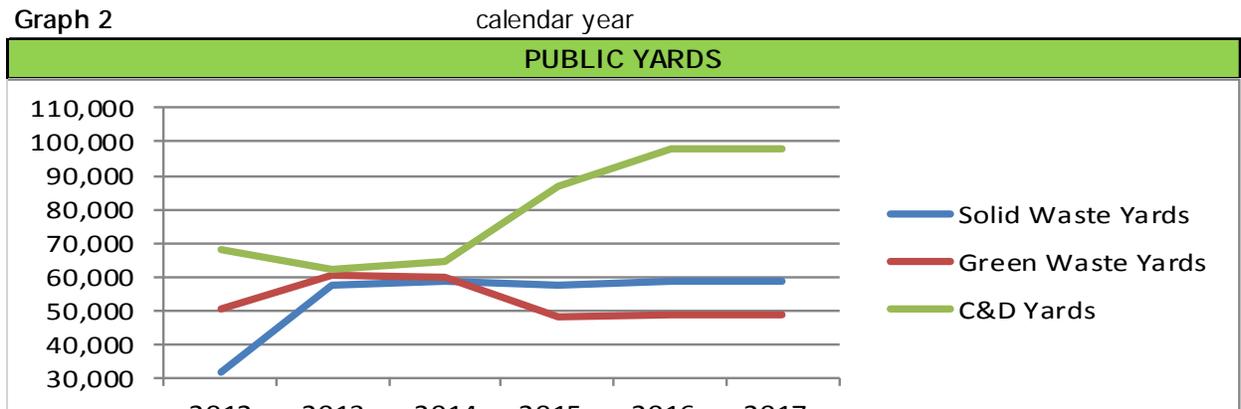
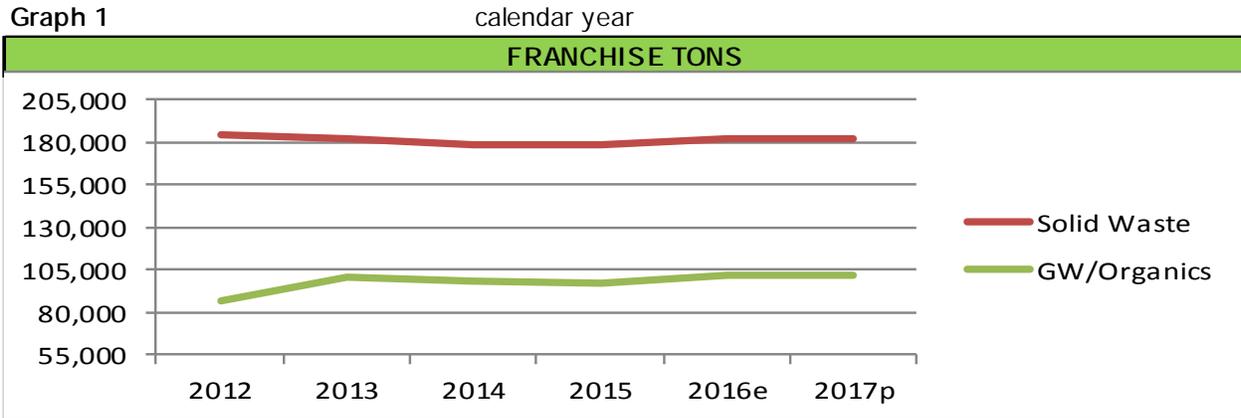
<b>TIP FEE REVENUE</b>		<b>2016</b>	<b>2017</b>	<b>17 vs 16</b>	<b>%</b>
<b>Franchise</b>					
Tons		289,048	289,048	0	0.0%
Wtd Avg. Tip Fee		\$ 94.39	\$ 104.51	\$ 10.13	10.7%
Franchise Revenue		\$ 27,279,739	\$ 30,206,881	\$ 2,927,142	10.7%
<b>Public</b>					
Yards		205,427	205,427	0	0.0%
Wtd Avg. Tip Fee		\$ 41.40	\$ 46.23	\$ 4.83	11.7%
Public Revenue		\$ 8,503,843	\$ 9,496,457	\$ 992,615	11.7%
<b>Total Tip Fee Revenue</b>		<b>\$ 35,783,581</b>	<b>\$ 39,703,338</b>	<b>3,919,757</b>	<b>11.0%</b>

2. **Table 2** provides historical and projected detail on inbound tonnage and yardage by material type to the Transfer Station (excludes recyclables tonnage to MRF).

**Table 2**

<b>Total TS Tonnage and Yardage</b>			<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>16 vs 15</b>	<b>17 vs 16</b>
<b>Franchise</b>								
SBWMA Solid Waste	tons		178,215	179,008	182,364	182,364	1.9%	0.0%
SBWMA Green Waste	tons		98,772	97,243	101,666	101,666	4.5%	0.0%
SBWMA Food Waste	tons		526	0	0	0	0.0%	0.0%
SBWMA Dirt	tons		3,468	4,043	4,291	4,291	6.2%	0.0%
SBWMA C&D & Concrete	tons		0	0	2	2	0.0%	-7.7%
SBWMA Wood	tons		140	111	111	111	-0.2%	-0.1%
SBWMA Other, BI	tons		310	475	614	614	29.2%	0.0%
<b>sub-total Franchise</b>			<b>281,430</b>	<b>280,879</b>	<b>289,048</b>	<b>289,048</b>	<b>2.9%</b>	<b>0.0%</b>
Non-SBWMA SW	tons			1,663	3,076	3,077	0.0%	0.0%
Non-SBWMA SCRAP	tons			135	172	171	0.0%	-0.1%
Non-SBWMA FOOD	tons			59	587	1,054	0.0%	79.6%
Non-SBWMA C&D	tons			1,809	5,705	5,705	0.0%	0.0%
Non-SBWMA ORGANIC	tons			12	22	22	0.0%	1.4%
Non-SBWMA Assphalt Roofing	tons			0	1,251	1,251	0.0%	0.0%
Non-SBWMA Clean Wood	tons			0	12	16	0.0%	37.1%
Public Dirt (tons)	tons		5,044	8,467	5,694	5,694	-32.8%	0.0%
<b>Total Tons</b>			<b>286,473</b>	<b>293,024</b>	<b>305,566</b>	<b>306,038</b>	<b>4.3%</b>	<b>0.2%</b>
<b>Public</b>								
Public Solid Waste Yards	yards		58,889	57,403	58,778	58,778	2.4%	0.0%
Public Green Waste Yards	yards		60,095	48,479	48,855	48,855	0.8%	0.0%
Public C&D	yards		64,747	86,494	97,795	97,795	13.1%	0.0%
<b>Total Yards</b>			<b>183,730</b>	<b>192,375</b>	<b>205,427</b>	<b>205,427</b>	<b>6.8%</b>	<b>0.0%</b>

3. The following tables chart the change in volume from Graph 1.



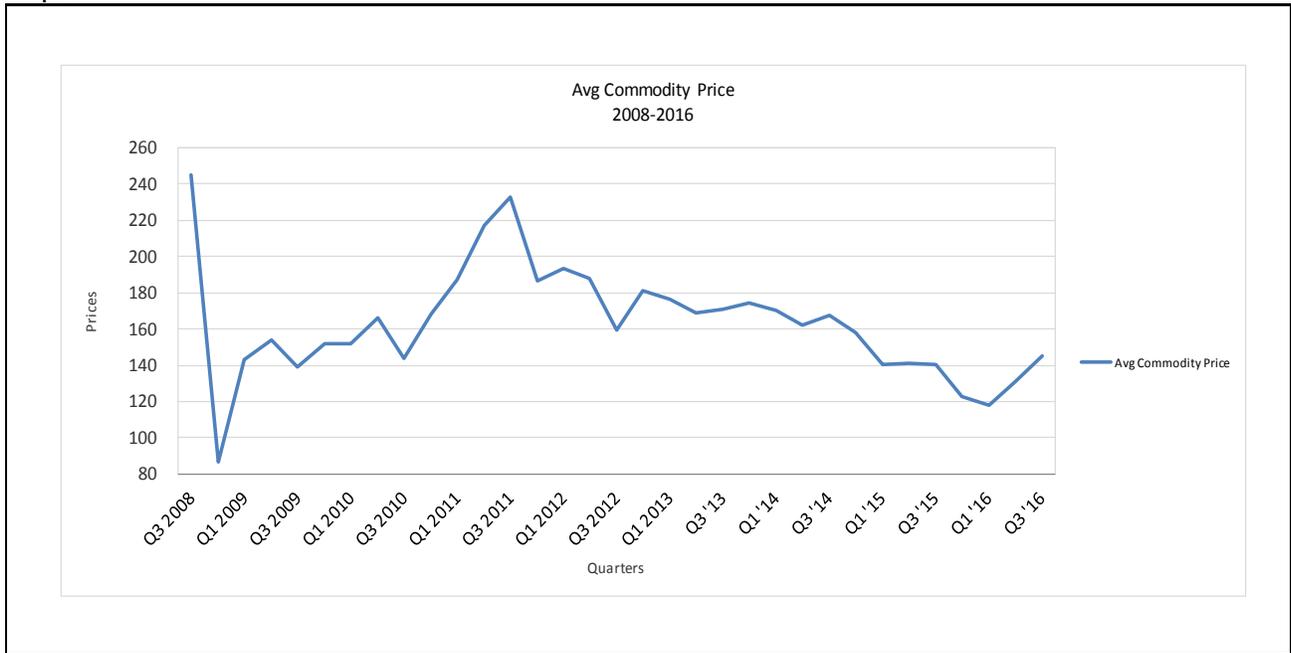
4. Table 3 provides supporting data on commodity revenue projections.

Table 3

COMMODITY REVENUE		2016	2017	17 vs 16	%
	Tons	71,723	71,723	0	0.0%
	Wtd Avg. Price	\$ 94.41	\$ 122.98	\$ 28.57	30.3%
	Gross Revenue	\$ 6,771,391	\$ 8,820,697	\$ 2,049,306	30.3%
	Revenue Share w/ SBR	(305,599)	(897,639)	(592,040)	-393.7%
	Buyback Payments	(877,781)	(877,780)	1	0.0%
	Net Commodity Revenue	\$ 5,588,011	\$ 7,045,278	\$ 1,457,267	17.7%

5. The following Graph 3 provides a history of commodity prices per ton by quarter. The figures shown are the blended average price per ton for all commodities sold in a given quarter.

Graph 3



**Operating Expenses**

6. Table 4 provides supporting data for SBR’s operating expense.

Table 4

<b>SBR OPERATING &amp; TRANSPORTATION EXPENSE</b>					
<b>a. Summary</b>		<b>2016</b>	<b>2017</b>	<b>17 vs 16</b>	<b>%</b>
	MRF <sup>1</sup>	\$ 5,158,065	\$ 6,285,072	\$ 1,127,006	21.8%
	Transfer Station	\$ 4,871,655	\$ 4,905,205	\$ 33,550	0.7%
	Transportation <sup>2</sup>	\$ 7,365,102	\$ 7,089,088	\$ (276,015)	-3.7%
	Other	\$ 374,950	\$ 341,764	\$ (33,186)	-8.9%
	<b>TOTAL SBR EXPENSE</b>	<b>\$ 17,769,772</b>	<b>\$ 18,621,128</b>	<b>\$ 851,356</b>	<b>4.8%</b>
<b>b. Detail</b>		<b>2016</b>	<b>2017</b>	<b>17 vs 16</b>	<b>%</b>
<b>MRF</b>					
	Tons	57,088	82,521	\$ 25,433	44.5%
	Rate	\$ 75.26	\$ 76.16	\$ 0.91	1.2%
	Expense	\$ 4,296,211	\$ 6,285,072	\$ 1,988,861	46.3%
<b>Transfer Station</b>					
	Tons	379,471	379,428	\$ (43)	0.0%
	Rate	\$ 12.84	\$ 12.93	\$ 0.09	0.7%
	Expense	\$ 4,871,655	\$ 4,905,205	\$ 33,550	0.7%
<b>Transportation</b>					
	Tons	379,471	379,428	\$ (43)	0.0%
	Rate	\$ 19.41	\$ 18.68	\$ (1)	-3.7%
	Expense	\$ 7,365,102	\$ 7,089,088	\$ (276,015)	-3.7%
<b>Other</b>					
		\$ 374,950	\$ 341,764	\$ (33,186)	-8.9%
	<b>TOTAL SBR EXPENSE</b>	<b>\$ 16,907,918</b>	<b>\$ 18,621,128</b>	<b>\$ 1,713,211</b>	<b>10.1%</b>

<sup>1</sup> MRF cost is lower in year 2016 due to the fire disruption for the months Sept thru Dec.

<sup>2</sup> Transportation cost for 2017 is lower due to 6% savint in transportation cost due 38.6% reduction in fuel index .

7. Table 5 provides supporting data for the disposal and processing expense.

Table 5

DISPOSAL & PROCESSING EXPENSE					
		2016	2017	17 vs 16	%
<b>Summary</b>					
	TS Tons	379,471	379,428	-43	0.0%
	Wtd Avg.Rate	\$ 42.32	\$ 44.16	\$ 1.84	4.3%
	<b>Disposal Expense</b>	<b>\$ 16,059,982</b>	<b>\$ 16,755,068</b>	<b>695,085</b>	<b>4.3%</b>
<b>Detail - 2017</b>					
				<b>Expense</b>	
	Ox Mountain MSW	220,252	\$ 40.69	\$ 8,961,726	
	Ox Mountain Aggregates	-		\$ -	
	Organics	112,137	\$ 40.30	\$ 4,519,452	
	Food	-		\$ -	
	C&D	47,039	\$ 68.69	\$ 3,231,167	
	Other			\$ 42,722	
	<b>TOTAL - 2016</b>	<b>379,428</b>	<b>\$ 44.16</b>	<b>\$ 16,755,068</b>	

**Operating Margin for Transfer Station Only**

8. Table 6 details the operating margin for the various rate categories (material types) for the Transfer Station only.

Table 6

Transfer Station Margin					
FRANCHISE	2017 Cost / Ton (Estimated)	2017 Tip Fee / Ton (Proposed)	Net Income / Ton (Estimated)	# Tons	2017 Total Operating Margin (Estimated)
Solid Waste	\$ 87.60	\$ 104.00	\$ 16.40	182,364	\$ 2,990,537
Residential Organics	\$ 99.24	\$ 106.00	\$ 6.76	101,666	\$ 687,165
Commercial Food Waste	\$ 112.41	\$ 118.00	\$ 5.59	-	\$ -
Inerts	\$ 74.04	\$ 91.00	\$ 16.96	4,291	\$ 72,775
SELF-HAUL	2017 Cost / Yard (Estimated)	2017 Tip Fee / Yard (Proposed)	Net Income / Ton (Estimated)	# Yards	2016 Total Operating Margin (Estimated)
Solid Waste	\$ 21.90	\$ 41.00	\$ 19.10	58,778	\$ 1,122,635
Green Waste	\$ 22.84	\$ 29.00	\$ 6.16	48,855	\$ 300,768
C&D	\$ 34.90	\$ 38.00	\$ 3.10	97,795	\$ 302,986
Public Dirt (tons)	\$ 74.04	\$ 95.00	\$ 20.96	5,694	\$ 119,335
Non-SBWMA SW (Tons)	\$ 87.60	\$ 104.00	\$ 16.40	3,077	\$ 50,452
Non-SBWMA Food (Tons)	\$ 112.41	\$ 118.00	\$ 5.59	171	\$ 958
Non-SBWMA C&D (Tons)	\$ 74.04	\$ 91.00	\$ 16.96	5,705	\$ 96,760
Non-SBWMA Organic (Tons)	\$ 99.24	\$ 106.00	\$ 6.76	22	\$ 149
Non-SBWMA Assphalt Roofing (Tons)	\$ 74.04	\$ 104.00	\$ 29.96	1,251	\$ 37,474
Non-SBWMA Clean Wood (Tons)	\$ 47.13	\$ 77.00	\$ 29.87	16	\$ 478
Other Drop Off, etc				n/a	\$ 212,924
<b>Total Transfer Station</b>					<b>\$ 5,995,396</b>





# COLLECTION AND RECYCLING PROGRAM SUPPORT AND COMPLIANCE





## STAFF REPORT

---

To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Larry Sweetser, Sweetser and Associates  
Chris Lehon, Lehon and Associates  
Date: November 17, 2016 Board of Directors Meeting  
Subject: HHW Collection Presentation and Options

---

### Recommendation

Assuming that the Board declines to approve the Waste Management Curbside contract extension and that the services with Curbside Inc. expires, Staff is seeking direction from the Board to analyze alternative plans for HHW collection for consideration at the January 26, 2017 Board meeting.

### Summary

The Board approved the final one-year extension of contract between the SBWMA and Waste Management (WM) Curbside to provide household hazardous waste (HHW) collection services and this extension will expire on December 31, 2016. During the October 27, 2016 meeting, the Board directed staff to discuss an option for any Member Agency to discontinue ("opt out") service with a 60-day written notice to WM Curbside without incurring any financial penalties. **WM provided some clarifications to their proposal but did not completely incorporate the Board directive and declined the 60-day notice provision option, therefore, this contract extension will expire on December 31, 2016 and the WM At Your Door HHW collection program will terminate for all member agencies at this time.** Staff wanted to review alternative HHW collection programs to evaluate as future services if the WM contract with the Board directed "opt out" language, as is expected. Both parties negotiated a contract extension and pricing proposal in good faith. If the contract with the SBWMA is extended, each Member Agency will be provided the opportunity to continue offering this service to their residents. If the contract is not extended, the service will be discontinued effective January 1, 2017 and staff will promptly commence implementing an outreach campaign informing all Member Agencies and residents that the service will be discontinued effective January 1, 2017.

### Analysis

SBWMA retained the profession services of Larry Sweetser who has extensive expertise with California Household Hazardous Waste (HHW) programs and has conducted numerous evaluations of HHW systems, design, permitting, training, and compliance reviews of operations. Mr. Sweetser will provide the Board with an initial review of potential options to consider if the Board decides not to renew the Curbside HHW collection service. Some potential options were presented at the October 27 meeting. Other HHW program options could be considered including combinations of the following options:

1. Partner with San Mateo County HHW Program and Services
2. Establish a HHW drop-off program at the Shoreway Environmental Center
3. Develop a local permanent HHW storage facility for use by a curbside collection program
4. Contract with other vendors for curbside HHW collection.

**Option 1: Partner with San Mateo County HHW Program and Services**

San Mateo County provides HHW services to all residents. The Tower Road permanent HHW facility is open three days per week for approximately 6 hours each day. Temporary one-day events are available to all residents throughout the County with six events in SBWMA areas and adding additional events is possible. Both the Tower Road facility and temporary events are underutilized by residential participants.

The County also provides temporary HHW collection events as part of their suite of services. The SBWMA could play a more permanent role in advertising and selecting locations for future events. Directing residents to periodic temporary HHW collection events conducted in various San Mateo County cities and unincorporated areas and increased promotion and marketing would benefit this underutilized service. Temporary events are currently conducted on two or three Saturdays each month by the County. (The draft 2017 schedule has events listed for the following locations: Daly City, La Honda, Menlo Park, Pacifica, Portola Valley, Redwood City and South San Francisco. Redwood City and Menlo Park are two Member Agency locations where temporary events have been conducted and are scheduled for 2017).

Temporary HHW events could be held at Shoreway in partnership with the County. County operating costs would increase if temporary events were expanded or current costs could be maintained by relocating events conducted in other jurisdictions.

San Mateo County is developing a master plan to develop additional County HHW drop-off facilities. Revisions to the current Tower Road HHW facility are suggested in the master plan, but the development horizon is 5-10 year and requires \$50 to \$70 million funding allocation.

**Option 2: Establish HHW drop-off program at Shoreway**

A permanent HHW facility option can be pursued by the SBWMA at Shoreway. Shoreway currently has a drop-off for universal waste (oil, antifreeze, batteries, etc.) that are also handled by the County's HHW programs. Pending discussions with the County, staff may include funding in the mid-year budget in January to pursue engineering and design work to develop a detailed cost analysis of expanding the services offered at Shoreway to include HHW drop-off. Staff conducted preliminary discussions with an independent HHW consultant about siting a permanent HHW facility at the SEC. (A permanent HHW facility existed at the site prior to the facility renovation in 2010).

A permanent HHW facility requires numerous permits and approvals (i.e.: fire department, CEQA solid waste facility compliance, etc.), but some of these approvals may have already been obtained since there was already a HHW facility at this location. This option will involve expanded discussions with the County, even if the SBWMA operates a HHW at Shoreway, because of its regulatory permitting responsibilities with these programs.

**Option 3: Develop a local permanent HHW storage facility for use by a curbside collection program.**

One option to reduce costs of a curbside collection program is to set up a HHW storage facility at Shoreway to reduce the distance driven by the collection vehicles. For example, WM Curbside collection vehicles are housed at the company's facility in Tracy, CA and drive collected HHW round-trip daily. Allowing WM Curbside or other service provider to utilize a storage facility at Shoreway may result in cost saving over WM's current proposal.

Staff also requested the County HHW Program to entertain the idea of handling the materials collected through the Curbside HHW Service at their Tower Road site but they do not have sufficient area to handle the Curbside HHW material volume at the Tower Road facility.

**Option 4: Contract with other vendors for Curbside HHW collection**

Other companies provide curbside HHW collection service. The SBWMA can conduct a solicitation for curbside HHW collection services. Note that Staff has inquired with Recology about providing curbside HHW collection services, however, Recology has declined consideration of providing this service.

**Background**

The current annual fee for Curbside HHW collection service is \$5.64 per single-family home and \$2.64 per multi-family living unit. This expense is included in the Member Agencies' solid waste rates and has been adjusted twice since the program started in 2010 with \$0.01 increases the last two years only. The cost of this service allows each customer unlimited service.

The annual cost for 2016 and the proposed 2017-2021 cost for continued WM Curbside Inc. services is provided in **Table 1**. (The pricing in **Table 1** assumes 85,000 or more combined SFD and MFD customers participating and pricing increases due to loss of economy of scale if less than 85,000 customers participate). There are a total of approximately 144,000 (93,000 SFD and 51,000 MFD) customers currently participating across all Member Agencies. The annual Curbside HHW service revenue requirement for 2016 including the 5-year contract extension; the total 5-year extension revenue requirement is slightly under \$5.15 million.

Table 1

<b>Annual HHW Door-to-Door Contract Revenue</b>				
<b>Contract Year</b>	<b>Annual Per Unit Cost</b>		<b>Total</b>	<b>Annual Variance</b>
	<b>SFD</b>	<b>MFD</b>		
<b>2016</b>	\$ 5.64	\$ 2.64	\$ 658,128	
<b>2017</b>	\$ 7.20	\$ 3.00	\$ 821,255	25%
<b>2018</b>	\$ 8.04	\$ 3.48	\$ 923,708	12%
<b>2019</b>	\$ 8.88	\$ 4.08	\$ 1,032,290	12%
<b>2020</b>	\$ 9.72	\$ 4.56	\$ 1,134,743	10%
<b>2021</b>	\$ 10.56	\$ 5.04	\$ 1,237,196	9%
<b>Total 5 Year Revenue (2017-2021)</b>			<b>\$ 5,149,193</b>	

**Fiscal Impact**

There is no specific fiscal impact to the SBWMA associated with item although the SBWMA FY16/17 budget allocated \$80,000 for public education and outreach for this program.





## STAFF REPORT

---

**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Resolution Approving a Contract for Financial Review and Negotiation Services to Support the Franchise Agreement Extension Negotiation Process

---

### Recommendation

It is recommended that the SBWMA Board of Directors approve resolution No.2016-44 attached hereto authorizing the Executive Director to execute a contract with HFH Consultants (HFH) to provide Financial Review and Negotiation Services to Support the Franchise Agreement Extension Negotiation Process, not to exceed \$138,126.

### Background

On April 28, 2016 the SBWMA Board approved Resolution 2016-21 to form an Ad Hoc Franchise Agreement Extension Negotiation Committee (FAX) to support current Franchise Agreement, Section 3.03 (page 5 of 111), regarding the creation of a new contract term. The current Section 3.03 language reads:

#### *Section 3.03, Extension of Term:*

*During the calendar year 2017, the Parties shall meet and confer on the possible extension of the Term.*

The FAX Committee will work in close coordination with the designated Negotiation Team to steer the negotiation process and provide technical review of any anticipated changes in contract terms, scope of services, rate impacts and other related items, as proposed by Recology. It is assumed that the Universal Franchise Agreement that currently exists amongst all 12 Member Agencies will serve as the baseline for these discussions. In other words, this proposed Universal Franchise Agreement contains all essential collection services that will be common to the entire service area.

Assuming mutual agreement amongst all parties and with Staff and Negotiating Team support, the FAX Committee will present a final Universal Franchise Agreement with Recology's Proposed pricing for base rate year 2021 for TAC review on April 10<sup>th</sup>, 2017 and then on to the SBWMA Board for final consideration on April 27<sup>th</sup>, 2017. Upon SBWMA Board approval, each member agency will need to enter into individual negotiations with Recology to establish their specific scope of services (including add-on and ancillary services, billing particulars, etc.), and their final pricing. **All member agencies are asked to complete this process and secure a fully executed new Franchise Agreement with Recology for the recommended new term no later than December 31, 2017.**

The SBWMA Board-appointed FAX Committee consists of senior staff from six member agencies are identified in **Table 1:**

Table 1 SBWMA Franchise Agreement Extension Negotiation--Ad Hoc Committee (FAX)		
FAX Committee Member	Member Agency	Position/Agency Experience
Jim Porter, <i>Chair</i>	County of San Mateo	Director, DPW; Former SBWMA Chair
Melissa Stevenson Diaz, <i>Vice Chair</i>	City of Redwood City	City Manager
Larry Patterson	City of San Mateo	City Manager, Former SBWMA Chair
Afshin Oskoui	City of Belmont	Director, DPW; SBWMA TAC Chair
Heather Abrams	City of Menlo Park	Sustainability Manager; SBWMA TAC member
Brenda Olwin	City of East Palo Alto	Finance Director

This committee provides the SBWMA Board and Staff with a strong mix of professional perspectives to vet the broad range of topics anticipated in these negotiations—there are two city managers, two public works directors, one sustainability manager, and a finance director. Additionally, three of these members were directly engaged with the original contractor selection process in 2008/9 having served as SBWMA Chair, and on supporting technical evaluation and selection committees. The new members also provide strong fresh perspectives to this process.

The Fax Committee held its first meeting on November 10<sup>th</sup>. Additional meetings are scheduled for December 7, January 12, February 6 and 26, and March 8 and 28. The FAX Committee selecting their Chair and Vice Chair and Staff provided a comprehensive briefing of committee goals, critical path project timing and the Negotiation Team. The Negotiation Team is identified in **Table 2**:

Table 2 SBWMA/Recology Franchise Agreement Extension--Negotiation Teams		
Negotiation Party	Team Members	Individual Roles & Responsibilities
SBWMA Team <i>(Staff)</i>	Joe La Mariana, <i>Executive Director</i> Hilary Gans, <i>Facility Contracts Mgr.</i> Cyndi Urman, <i>Clerk of the Board</i>	-Project lead -Primary staff support -Logistical staff support
SBWMA Team <i>(Contractors)</i>	<b><u>HFH Consultants:</u></b> -Robert C. Hilton, <i>Engagement Director</i> -Tracy Swanborn, <i>Engagement Manager</i> -Marva Sheehan, <i>Finance/Rate Specialist</i>  <b><u>Aaron, Dickerson, Cohn &amp; Lanzone:</u></b> Jean Savaree <b><u>Solid Waste Industry Experts:</u></b> Ron Proto, RJ Proto Consulting Enrique Sloan, Sloan Vasquez Consulting Tracie Bills, SCS Engineers	-Lead Negotiators for SBWMA -Financial Analysis  -Legal Representation  -Subject matter expert-Operations/costing -Subject matter expert—Operations/costing -Research/ Writing Support <i>(in lieu of LGS vacancy)</i>
Recology Team	Mario Puccinelli, <i>Group VP</i> Mike Kelly, <i>Administrative Manager</i> Gino Gasparini, <i>Governmental Affairs</i> Carl Mennie, <i>Group Controller</i> Tammy Del Bennie, <i>Zero Waste Manager</i> Jennette Haskell, <i>Customer Service Manager</i> Bryce Giddons, <i>Group Attorney</i>	-Contractor Lead -Financial/Ops Support -Institutional Support -Financial/Ops Support -Compliance/Programs Support -Customer Service Support -Legal Representation

## Analysis

On November 8<sup>th</sup>, 2016 Staff completed a Request for Qualifications (RFQ) process that yielded technically qualified responses from R3 Consultants and HFH Consultants. Their proposals were received by November 1, 2016, including detailed work plans and project timelines to meet all stated goals. Both firms are well-respected in the solid waste industry and have produced high-quality financial analytical work for the SBWMA over many years. Both firms proposed senior-level staff to provide veteran support throughout this assignment. Both firms were also invited to present their proposed approaches to Staff on November 7<sup>th</sup> and 8<sup>th</sup>.

Based on its comprehensive review of the proposals, timing considerations, reference checks, historically relevant experience and in-person presentations, Staff recommends the selection of HFH Consultants to perform this work. On November 10<sup>th</sup>, 2016, the FAX Committee reviewed the proposal summaries and Staff's findings, and they concurred with the Staff recommendation. Although both firms had excellent experience and many distinguished aspects of their proposals, two specific areas emerged that provided Staff and FAX Committee members with significant points of differentiation during the evaluation and selection phase of this discussion. HFH Consultant's proposal had a base price of \$113,786, with an optional "Sole Source RFP" add-on of \$24,340 for a total of proposed contract value of \$138,126. The two significant evaluative criteria that affect the Staff and FAX Committee recommendations are:

### 1. Extensive Multi-Jurisdictional Experience:

HFH has assisted more than 175 jurisdictions in procuring recycling and solid waste related services, evaluating proposals to provide service, and negotiating and drafting new or revised contracts for the provision of those services. Most important to the SBWMA is that **HFH has solid waste consulting experience with every solid waste-related multijurisdictional agency in the Bay Area, as well as several others in Northern California - including the SBWMA, MRWMD, StopWaste, CCCSWA, WCCIWMA, WWSWMA, and Sacramento SWA.** Though their extensive work with multi-jurisdictional agencies, the FAX and Negotiations committees feels that HFH is uniquely qualified to manage the complexities can arise with multi-jurisdictional negotiations.

### 2.Highly Structured and Quantitative Approach:

One feature that the FAX committee discussed extensively is HFH's highly structured process to the negotiation process that relies heavily a quantitative approach and the use of cost forms throughout process. In the sole source procurement process proposed by HFH, Recology will be asked to provide cost proposals for existing level of service as well as all additional services or change to service levels. Specifically, HFH will work with Recology to:

1. Obtain proposed program descriptions and operating statistics
2. Obtain detailed cost information and estimated service rate impacts using predefined cost proposal forms
3. Determine contract modifications desired by Recology to a draft model franchise agreement

This approach will help ensure that the SBWMA will have the information it needs to evaluate its options and control the negotiation and manage the outcomes and timeline. The FAX Committee felt that the SBWMA and Member Agencies will benefit from the quantitative analysis of HFH's approach as compared to a more traditional negotiation process. HF&H successfully utilized this strategy with Recology in the City of Mountain View in 2012.

To streamline the process and reduce the consulting time involved in the negotiations process, SBWMA staff has already met with Recology to take the first step in the negotiations process by requesting that Recology provide a red-line copy of the current Collection Agreement to document any exceptions in writing and to provide alternative contract language.

### Fiscal Impact

The adopted FY16/17 budget has \$100k reserved for this Contract Negotiations and \$70,000 in Financial Consulting support that will be tapped for this proposed work.

### Attachments

Resolution 2016-44

A. Collection Services Consultant RFQ Process; A Comparative Summary



## RESOLUTION NO. 2016-44

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A CONTRACT FOR FINANCIAL REVIEW AND NEGOTIATION SERVICES TO SUPPORT THE FRANCHISE AGREEMENT EXTENSION NEGOTIATION PROCESS

**WHEREAS**, The South Bayside Waste Management Authority (SBWMA) Board approved Resolution 2016-21 approving a Plan and process to negotiate an extension to the existing Universal Franchise Agreement document with Recology San Mateo County (RCSM), and

**WHEREAS**, the Plan included the hiring of a solid waste industry negotiation and financial consultant,

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves and authorizes the Executive Director to execute a contract with HFH Consultants for a not-to-exceed amount of \$138,126.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, 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. 2016- 44 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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

**Collection Services Consultant RFQ Proposals**  
A Comparative Summary of Responses for the  
SBWMA Franchise Agreement Negotiation Ad Hoc Committee's

RFQ Response Category	R3 Consultants	HFH Consultants	Comments
<p>1. <b>Background:</b></p> <ul style="list-style-type: none"> <li>- RFQ documents, scope of work and timeline was received by legal team prior to release.</li> <li>- Two qualified firms, R3 and HFH, each w/extensive history of direct performance with the SBWMA, were invited to respond to the agency's RFQ for <i>Collection Services Consultant</i> to support the SBWMA's Ad Hoc Committee's Franchise Agreement Negotiations in 2017.</li> <li>- Both firms submitted proposals by the RFQ 11/1/16 deadline that were technically responsive to the scope of work and timing requirements identified in the RFQ.</li> </ul>			
<p>2. <b>Description of Qualifications:</b>  Firm experience and history with SBWMA projects.</p>	<ul style="list-style-type: none"> <li>-Since 2002</li> <li>-Extensive SBWMA experience, including work w/2008 SBWMA RFP.</li> <li>-Only works w/ municipal agencies.</li> <li>-Worked w/ 30+ municipal agencies in negotiation support.</li> <li>-Worked w/ 22 municipal agencies in procurement support.</li> <li>Extensive rate survey/database experience.</li> </ul>	<ul style="list-style-type: none"> <li>-25+ years</li> <li>-Extensive SBWMA experience, including work w/2008 SBWMA RFP.</li> <li>-Only works w/municipal agencies.</li> <li>-Worked w/500+ municipal agencies.</li> <li>-Managed procurements in 175 jurisdictions.</li> <li>-Managed 1,900 engagements.</li> <li>-Managed multi-jurisdictional agency procurements</li> <li>-Extensive rate survey/database experience</li> </ul>	<p>Both firms have been deemed "qualified" to perform the scope of work that is anticipated with this contract.</p> <p>Based on each firm's responses:</p> <p><b>R3 has considerable procurement and analytical work with the SBWMA</b> (Financial and Operational Audits in 2013-2015), they assisted with the development in the SBWMA's Long Range Plan, they provided program-level reviews in 2014-15, and they provided significant technical support during the SBWMA RFP process in 2008.</p> <p><b>HFH has extensive history with the SBWMA with a wide variety of rate modeling and financial review projects</b>, including extensive rate reviews for SBWMA member agencies, rate surveys, contractor compensation application analytical reviews, SBWMA contractor audits, annual report reviews, cost allocation reviews, the feasibility study for financing the Shoreway Environmental Center, significant support during the SBWMA RFP process in 2008. HFH appears to have worked with many more municipalities over a longer period of time in the industry.</p> <p>HFH's experience includes considerable procurement work with multi-jurisdictional agencies, including the Sacramento WMA, Monterey Regional WMD, Central Contra Costa WMA, and having served as the Executive Director of the West Valley SWMA (Campbell, Saratoga, Los Gatos, and Monte Sereno) since the agency's establishment in the 1998.</p>

**Collection Services Consultant RFQ Proposals**  
A Comparative Summary of Responses for the  
SBWMA Franchise Agreement Negotiation Ad Hoc Committee's

3. Proposed Work plan a. Assessment	R3 proposes a "Deal Points" strategy to serve as basis for negotiating and extended franchise agreement w/contractor.	HFH proposes a "Sole Source" Procurement RFP process to maximize Agency's negotiating position w/SBWMA contractor.	The firms have proposed two different strategies towards this project. They are:  R3 has proposed creating "Deal Points"
4. Proposed Project Team	Richard Tagore-Ewin, <i>Project Mgr. &amp; Task Lead</i> Garth Schultz, <i>Point-of-Contact &amp; Project Support</i> William Schoen, <i>Project Support</i> Kristina McCaffrey, <i>Project Support</i> David Pinter, <i>Project Support</i> Emily Ginsburg, <i>Project Support</i>	Robert C. Hilton, <i>CMC, Engagement Director</i> Tracy Swanborne, <i>P.E., Engagement Manager</i> Marva M. Sheehan, <i>CPA, Finance and Rate Specialist</i>	
5. Cost Proposal	-Development of Scope of Services: 33 Hrs -Negotiation Assistance: 316 Hrs -Services/Rates Analysis: 71 Hrs -Terms Sheet Work: 26 Hrs -Draft Model Document: 114 Hrs <b>Total Proposed Staff Time: 560 Hrs</b> <b>Total Proposed Budget: \$99,050</b>	-Kickoff/Background Review: 20 Hrs -Assessment of Current Programs: 48 Hrs -Support w/Negotiations: 300 Hrs -Attend Board/Committee Mtgs: 92 Hrs -Engagement Mgmt.: 21 Hrs <b>Total Proposed Staff Time: 481 Hrs</b> <b>Total Proposed Budget: \$113,786</b>  <b>*Optional Proposed Add-on Work:</b> <b>Sole Source RFP/Proposal Process:</b> -Prepare Draft/Final SS Document: 128 Hrs -Attend additional Mtgs: 13 Hrs <b>Total Proposed Sole Source Hours: 141 Hrs</b> <b>Total Sole Source RFP Budget: \$24,340</b>	\$100k is earmarked for this project in the SBWMA FY 16-17 budget. This figure was a working estimate due to the unknown specific scope of work for this project during budget development in spring 2016. This amount was a "placeholder".  This amount was stated in the RFP document.
6. Proposed Timeline:	Proposal meets project requirements	Proposal meets project requirements	Both firms submitted proposals that contains viable timelines.
7. Team Interviews:	Staff meet w/R3 team on 11/7/16.	Staff meet w/HFH team on 11/8/16.	
8. Staff Recommendation			Staff recommends HFH Consultants based on two distinguishing elements: 1. Their extensive experience working with many multi-jurisdictional entities. In fact, HFH Consultants has served as a contracted Executive Director for the West Valley WMA since 1998.

***Collection Services Consultant RFQ Proposals***  
A Comparative Summary of Responses for the  
SBWMA Franchise Agreement Negotiation Ad Hoc Committee's

			<p>2. Their "Sole Source" RFP approach to the negotiation process. This is a high structured and quantitative process that has delivered desired results in other jurisdictions.</p> <p>Both firms have an outstanding reputation in the solid waste industry and in the state marketplace.</p>
<p>9. FAX Committee Recommendation</p>			<p>The FAX Committee supports Staff recommendation to select HFH Consultants for the afore stated reasons. Two FAX Committee members has volunteered to contact HFH to learn more about the "Sole Source" RFP process, and its applicability to this assignment.</p>



# SHOREWAY OPERATIONS AND CONTRACT MANAGEMENT





## STAFF REPORT

---

To: SBWMA Board Members  
From: Hilary Gans, Facility Operations Contract Manager  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Resolution Approving C&D MOU with Zanker Road Resource Management, Ltd.

---

### Recommendation

Approve the Resolution 2016-45 hereto:

**Approving a Memorandum of Understanding with Zanker Road Resource Management, Ltd., to extend the existing agreement for one (1) month.**

### Back ground

The SBWMA has had an agreement for construction and demolition debris (C&D) processing with Zanker that expires on January 31, 2017. This agreement, was executed in 2012 and preceded by two other agreements that were executed in 2010 and 2006. Zanker has processed all of the SBWMA's C&D materials and has built highly specialized sorting equipment to recover materials such as metal, wood, and concrete for recycling. The C&D material is delivered to the transfer station exclusively by self-haul customers and SBR transports the roughly 140 tons per day (38,000 tons per year) to Zanker's facility located in San Jose.

### Analysis

Staff is in the process of negotiating a new draft contact with Zanker for C&D processing services. This negotiation is taking longer than anticipated due, in part, to Zanker's request for a higher than anticipated tip fee increase (Zanker has requested a 25% price increase over the current rate of \$51.62 per ton). For this reason, staff is requesting Board approval for a one-month continuation of the current agreement under the same terms. It is anticipated that staff will be bringing a draft agreement for Board consideration at the January 26<sup>th</sup> meeting.

### Fiscal Impact

No fiscal impact.

### Attachments:

Resolution 2016-45



**RESOLUTION NO. 2016-45**

**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
APPROVING A MOU WITH ZANKER ROAD RESOURCES MANAGEMENT, LTD. TO EXTEND  
THE EXISTING AGREEMENT FOR ONE (1) MONTH**

**WHEREAS**, the SBWMA and Zanker Road Resources Management, LTD., (Zanker) have an Agreement for process construction and demolition debris that expires on January 31<sup>st</sup>, 2017; and

**WHEREAS**, SBWMA and Zanker are drafting a new Agreement to continue the processing arrangement after the expiration of the existing Agreement; and

**WHEREAS**, the process of approving a new Agreement may extend past the ending date of the current agreement; and

**NOW, THEREFORE, BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves the Memorandum of Understanding extending the terms of the current Agreement with Zanker for a period of one (1) month until February 28, 2017.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-45 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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



## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Hilary Gans, Operations Contracts Manager  
**Date:** November 17, 2016 Board of Directors Meeting  
**Subject:** Update on Shoreway MRF Fire Claim and Restoration Process

### Recommendation

This staff report is for discussion purposes only and no formal action is requested of the Board of Directors.

### Summary

This report provides a description of the status of claims with Hanover Insurance and the restoration of the Materials Recovery Facility (MRF) building and equipment to its normal operation.

### Analysis

#### Insurance Claims Processing

The SBWMA has received a total of \$2.5M from Hanover to cover expenses incurred in performing fire restoration work. To date, the SBWMA has committed a not-to-exceed total of \$5,193,704 through POs and contracts and has made actual payments totaling \$2,213,442 to vendors (see **Table 2** for detail). The SBWMA has invoiced Hanover insurance a corresponding dollar amount for reimbursement. The current balance of funds for reimbursements is a net positive \$286,558 paid out to the SBWMA.

<b>Table 2. SBWMA MRF FIRE SUMMARY</b>					
Report Date		11/4/2016			
<b>Contracts</b>	<b>Approved NTE</b>	<b>Billed to Date</b>	<b>% Billed</b>	<b>Remaining NTE</b>	
Signal Services	\$ 4,750,000	\$ 1,957,009	41%	\$ 2,792,991	
BHS	\$ 344,324	\$ -	0%	\$ 344,324	
South Bay Recycling		\$ 203,561	0%		
Rodan Builders		\$ -	0%	\$ -	
JRMA	\$ 17,200	\$ -	0%	\$ 17,200	
Tanner Pacific, Inc.	\$ 82,180	\$ 52,872	64%	\$ 29,308	
				\$ -	
<b>Total</b>	<b>\$ 5,193,704</b>	<b>\$ 2,213,442</b>	<b>43%</b>	<b>\$ 3,183,823</b>	
<b>Hanover Funds Received</b>		<b>\$ 2,500,000</b>			

#### Facility Restoration Efforts

SBWMA staff is restoring the MRF to normal operations according to the following series of action steps:

1. Making arrangements for off-site processing of recyclable materials
2. MRF and transfer station cleaning
3. Assessment of building damage
4. Assessment of equipment damage
5. Removal of materials and equipment from MRF
6. Complete smoke and fire related cleaning
7. Order parts and complete equipment electrical and mechanical repairs
8. Develop specifications and bid package for building repairs
9. Award and complete building repairs

**Estimated Cost and Schedule for Restoration Efforts**

Based on the damage assessment and restoration plan coordinated by staff and involving SBR and consultants, a repair schedule and cost estimate has been developed. Current cost estimates for the MRF building and equipment restoration efforts are approximately \$10M (see detail estimate **Table 1** below).

<b>Table 1</b>			
<b>MRF FIRE RESTORATION EXPENSE - PRELIMINARY ESTIMATE</b>			
<u>Building and Equipment</u>	<u>Service</u>	<u>Estimated Cost</u>	
SBR	Cleaning	\$ 200,000	
BHS	Equipment Assessment	\$ 334,000	
Signal	Building Cleaning	\$ 4,750,000	
JRMA	Building Repair Design	\$ 17,500	
TannerPacific	Construction Management	\$ 82,000	
Rodan Construction	Building Repair	\$ 350,000	
Cosco Fire	Fire Suppression Repair	\$ 25,000	
BHS	Equipment Repair Labor	\$ 1,400,000	
BHS	Parts	\$ 1,073,819	
BHS	Startup	\$ 300,000	
Others Equipment Contractors		\$ 500,000	
	<b>TOTAL</b>	<b>\$ 9,032,319</b>	
<u>Off Site Processing</u>			
	Total cost of alternative processor	\$ 330,000	per month
			<i>5.0 Months</i>
	<b>TOTAL</b>	<b>\$ 1,650,000</b>	
	<b>SUB TOTAL</b>	<b>\$ 10,682,319</b>	

Staff is currently projecting an estimated completion date of February 2017 with the potential of having the MRF sorting system operational in January. Staff has worked closely with TannerPacific, the construction management company, to develop a MRF restoration project detail schedule (see **Attachment A**).

**Background**

**Insurer Coverage and Response**

The SBWMA has maintained a fire damage insurance policy with Hanover Insurance in the coverage amounts listed in **Table 2**.

The policy and coverage was established in consultation with SBWMA's broker Cohn-Reid-O'Neill (in Burlingame).

<b>Table 2. Hanover Insurance coverage</b>
• \$37 Million Buildings
• \$20 Million Personal Property
• \$4.5 Million Business Income
• The deductible is \$5,000

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

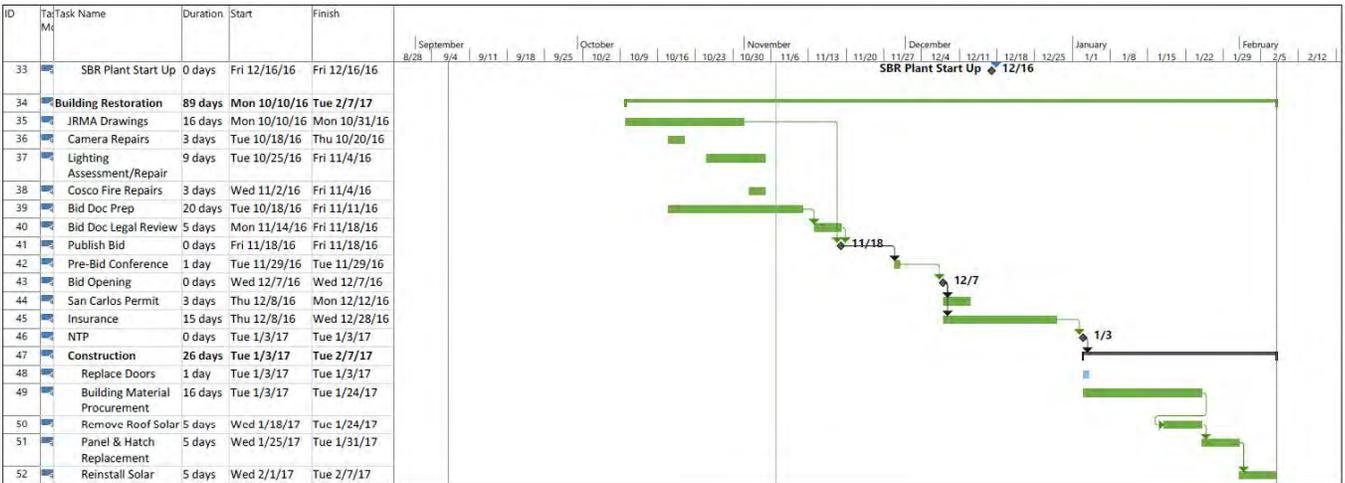
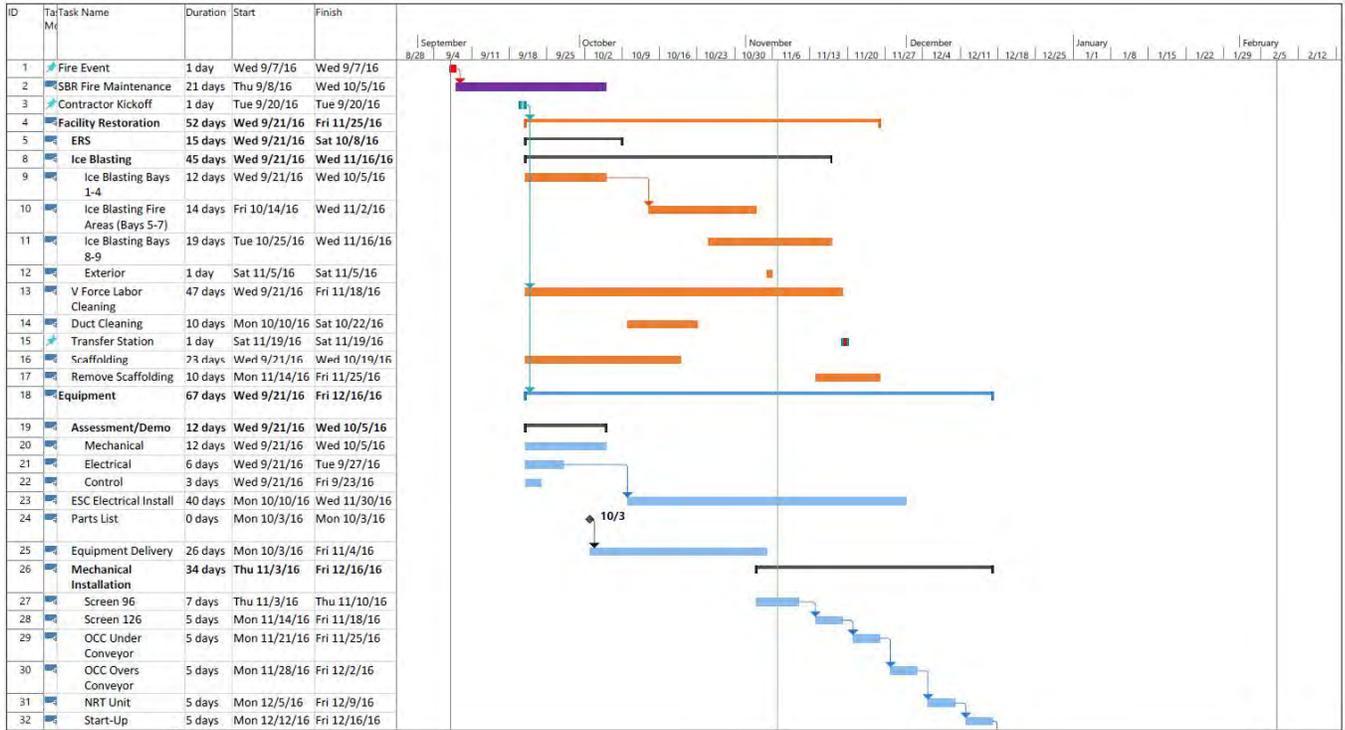
**Fiscal Impact**

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

**Attachments:**

Attachment A - MRF Restoration Project Detail Schedule

# Attachment A - MRF Restoration Project Detail Schedule



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

Task		Project Summary		Manual Task		Start-only		Deadline	
Split		Inactive Task		Duration-only		Finish-only		Progress	
Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
Summary		Inactive Summary		Manual Summary		External Milestone			

Page 2





## STAFF REPORT

---

To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Review of Shoreway Facility Restoration Services Contracts Let Under Purchasing Policy

---

### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-46 accepting this report.

### Background

At the September 22, 2016 meeting, the Board was advised that it would be necessary to execute cleanup and repair related contracts prior to the next Board meeting and that the Executive Director would, without Board objection, proceed to approve those contracts pursuant to SBWMA's Purchasing Policies Section 3.12.180, Emergency authority of Executive Director, which provides:

*A. In an emergency requiring the immediate preservation of the public peace, health and safety, and precluding action by the Authority Board, the Executive Director may purchase supplies or services, even though the amount thereof may exceed twenty thousand dollars, without competitive bids upon notice.*

When contracts are authorized by the Executive Director per Section 3.12.180(A) requires:

*At the next succeeding Board meeting, the Executive Director shall submit to the Board a written statement of the circumstances of such emergency, a description of the supplies or services purchased, and the prices thereof. (Ord. 1178 § 2 (part), 1995) (Section 3.12.180(B))*

### Analysis

Pursuant to SBWMA's Purchasing Policies, Section 3.12.180, the Executive Director offers the following report.

The SBWMA's fire insurance coverage limits with The Hanover Insurance Group, Inc. are as follows:

- \$37 Million Buildings
- \$20 Million Personal Property
- \$4.5 Million Business Income
- The deductible is \$5,000

Since the September 22<sup>nd</sup> Board of Directors meeting, the following contracts and expenditures have been authorized by the Executive Director per Section 3.12.180(A).

Purchase Orders for Fire Related Work at the SEC				
<b>PO Number</b>	<b>Date Issued</b>	<b>Amount</b>	<b>Company</b>	<b>Description</b>
629		\$50,000.00	Signal Restoration	Initial PO for Clean Up Work*
	10/6/2016	\$4,750,000.00	Signal Restoration	Signal Contract for Restoration*
630	9/30/2016	\$50,000.00	BHS	Initial PO for Inspection and Repair of BHS Equipment*
760	9/30/2016	\$17,200.00	JR Miller	Design of Roof Repairs*
761	9/30/2016	\$344,324.54	BHS	Inspection of BHS Equipment Damage*
2968	10/10/2016	\$16,080.00	Tanner Pacific	On Call Construction Management Services - Let prior to fire
810	10/10/2016	\$374,992.57	BHS	Parts List One for BHS - Long - Lead*
810-01	10/27/2016	\$87,405.30	BHS	Change Order to Parts List Number 1 - Long - Lead
809	10/10/2016	\$157,134.61	BHS	Parts List Two for BHS - Short- Lead
808	10/10/2016	\$23,649.79	LiveWire	Replacement of Camera System
811	10/10/2016	\$82,180.00	Tanner Pacific	Full Contract for Construction Management Services
1028	10/27/2016	\$83,988.77	BHS	Duct Work
1032	10/27/2016	\$479,520.56	BHS	Electrical Work
1031	10/27/2016	\$871,585.00	BHS	Mechanical Work

Each of these expenditures has been reviewed with the claims adjustor assigned by Hanover. The contracts listed above have also been reviewed and approved by Hanover. Items marked with an \* were approved at the October 27, 2016 Board of Directors Meeting.

To date, costs associated with cleanup and repair are approximately \$924,058. (The monthly Staff Update regarding the Fire Damage Restoration Process provides detail of payment status for each vendor relating to the different aspects of the building restoration process.) Preliminary estimates anticipate total claims in the amount of \$6-9 million for Personal Property Loss and roughly \$1-2 million in Business Income Loss. Again, these estimates fall well within the coverage limits.

### **Fiscal Impact**

SBWMA's insurance policy with The Hanover Insurance Group, Inc. has a \$5,000 deductible. We anticipate that all other costs will be borne by Hanover.

### **Attachments:**

Resolution 2016-46



## RESOLUTION NO. 2016-46

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

**WHEREAS**, pursuant to South Bayside Waste Management Authority Purchasing Policies Section 3.12.180, Emergency Authority of Executive Director, an emergency requiring the Executive Director to purchase supplies and services exists by virtue of a fire at the Shoreway Environmental Center on September 7<sup>th</sup>; and

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

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

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

- Bulk Handling Systems (BHS) on 10/10/2016 for \$157,134.61
- Bulk Handling Systems (BHS) on 10/27/2016 for \$87,405.30
- Bulk Handling Systems (BHS) on 10/27/2016 for \$83,988.77
- Bulk Handling Systems (BHS) on 10/27/2016 for \$479,520.56
- Bulk Handling Systems (BHS) on 10/27/2016 for \$ 871,585.00, and

**WHEREAS**, the Board of Directors has reviewed the report.

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

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, 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. 2016-46 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

---

Bob Grassilli, Chairperson of SBWMA

---

Cyndi Urman, Board Secretary



## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Hilary Gans, Operations Contracts Manager  
**Date:** November 17, 2016 Board Meeting  
**Subject:** Resolution Adjusting SBR’s Compensation for Sort Labor through Vocational Rehabilitation Services

### Recommendation

That the Board approve Resolution 2016-47:

**Authorizing the Executive Director to amend SBR’s compensation to include the impact of the newly enacted County of San Mateo Living Wage Ordinance on the VRS program.**

### Analysis

SBR has a contract with San Mateo County Vocational Rehabilitation Services (VRS) to provide sort labor for the processing of recyclable materials at the Shoreway MRF. On November 1, 2016 the County of San Mateo passed a living wage ordinance (LWO) that established the requirement that workers in the County be paid \$14 starting January 2017. The LWO sets a higher wage than the Operations Agreement requires the SBWMA to compensate SBR for sort labor. By approving the Resolution, the Board would be approving that supplemental compensation be paid to SBR to fully compensate the company for increase cost of complying with the LWO. Staff believes that the SBWMA should reimburse SBR for the LWO cost impacts because the new wage will add critical long-term stability to the contractual relationship between SBR and VRS by making worker recruitment and retention easier.

### *San Mateo County Living Wage Ordinance*

The County of San Mateo living wage ordinance was approved by the County Board of Supervisors on November 1<sup>st</sup> 2016. As shown in the table below, the LWO will establish a wage of \$14 (increasing to \$15) per hour in year 2017. VRS will be paying LWO wages to their “Clients” and SBR will be required to increase the amount that they pay VRS commensurate with the increase in client wages starting on January 2017.

Effective Date	San Mateo County Living Wage
January 1, 2017	\$14.00
July 1, 2017	\$15.00
January 1, 2018	
July 1, 2018	\$16.00
January 1, 2019	
July 1, 2019	\$17.00
January 1, 2020	
July 1, 2020	+CPI-U
January 1, 2021	
July 1, 2021	+CPI-U

### *Financial Impacts of the LWO on SBR and SBWMA*

As stipulated by the Operations Agreement, the SBWMA compensates SBR a fixed amount per ton for each ton processed through the MRF. SBR is responsible for paying all wages and operational costs to operate the MRF

out of the per-ton processing fee it receives from the SBWMA. In the case of the VRS sort labor annual cost adjustment, the SBWMA Compensation Application process uses a CPI Labor Index to determine the year-over-year labor cost component change to SBR's compensation. Note that the dollar amount that SBWMA compensates SBR is not tied to the amount that SBR pays VRS and the Union workers. In fact, over the past 4-years, SBR has been paying VRS more for sort labor than they are compensated by the SBWMA (currently the SBWMA compensates SBR for sort labor at \$9.46 per hour). By agreeing to provide SBR supplemental compensation to match the LWO wage increase, the SBWMA would be increasing compensation to SBR by roughly \$4.54 hour (other program costs would make the number slightly higher). The per-ton MRF Processing fee paid to SBR would increase from \$85.38 to \$89.73 per ton for year 2017 (a total of \$321,765 per year based on 74,179 tons).

In anticipation of San Mateo County Board of Supervisors approving the LWO, SBR and VRS have agreed to make change in their current contract that increase wages paid to VRS's "Clients" commensurate with the new LWO (the SBWMA is not a party to the contract). SBR and SBWMA staff have analyzed the wage change impact on the SBWMA FY16/17 Budget and, based on the MRF starting operations again in February 2017, there would be a negative impact of approximately \$134,068.

### ***SBR's Sort Labor Required from the VRS Program***

Over the past several years, VRS has had difficulty in fulfilling the sorter staffing levels required by SBR to properly operate the MRF. VRS has cited the low wage paid to sorters as a main impediment to recruiting and retaining sufficient workers to meet SBR's needs. SBWMA staff recently met with San Mateo County Human Services Agency staff who indicated that payment of the living wage was an essential requirement to continuation of the VRS program. Additionally, they cited that the LWO will help VRS staff overcome the recruiting challenge to providing SBR the needed MRF sorters.

### **Background**

The VRS program provides work for people who experience barriers to employment and are transitioning back to the workplace. The VRS clients spend a maximum of 18 months in the program before they transition into the workforce (note several program graduates that have been hired by SBR for full-time employment). SBR and San Mateo County entered into an agreement for the VRS program to provide sort labor staffing at the Shoreway MRF. The County VRS program has not been able to consistently supplied all of the sort labor that SBR required to run the MRF and low wages paid to the "clients" has been cited as a major reason for VRS not being able to recruit workers. As a result of these challenges, the County delivered a 30-day notice to terminate the VRS agreement to SBR due to the unpredictability of the available workforce and the challenges associated with fulfilling their contractual requirements for this work. Had the facility not closed due to the fire damage, the County's contract termination notice was to be effective September 15<sup>th</sup>.

### **Fiscal Impact**

The SBWMA pays SBR a fixed price per ton for each ton of franchise single stream material processed at the Shoreway MRF. If the Board approves the pass through of the VRS sort labor increase resulting from the Living Wage ordinance, the processing cost increase to the SBWMA for the sort labor hike would increase to approximately \$89.73 per ton for the first-half of 2017. The FY16/7 Budget impact would be roughly \$134,080.

# RESOLUTION NO. 2016-47

## RESOLUTION OF THE SBWMA BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO AMEND SBR'S COMPENSATION TO INCLUDE THE COST IMPACT OF THE NEWLY ENACTED COUNTY OF SAN MATEO LIVING WAGE ORDINANCE ON THE VRS PROGRAM.

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) compensates South Bay Recycling (SBR) according to terms in the Operations Agreement for the processing of recyclables at the Shoreway MRF, and

**WHEREAS**, SBR has a contract with San Mateo County Vocational Rehabilitation Services (VRS) for the provision of sort labor at the Shoreway MRF, and

**WHEREAS**, SBWMA supports the continuation of the contract between SBR and VRS and the recently enacted San Mateo County Living Wage Ordinance,

**NOW, THEREFORE BE IT RESOLVED** that the SBWMA hereby authorizes the Executive Director to augment compensation to SBR above that prescribed in the Operations Agreement to reimburse the company for the cost impacts of the Living Wage Ordinance.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17<sup>th</sup> day of November, 2016, 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. 2016-47 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

\_\_\_\_\_  
Bob Grassilli, Chairperson of SBWMA

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





# INFORMATIONAL ITEMS ONLY





## STAFF UPDATE

**To:** SBWMA Board Members  
**From:** Faustina Mututa, Environmental Education Coordinator  
**Date:** November 17, 2016 Board of Director's Meeting  
**Subject:** Update on Shoreway Environmental Education Programs

### Recommendation

This is an informational report and no action is necessary.

### Analysis

Due to the MRF fire on September 7<sup>th</sup>, staff had to suspend scheduled school group tours and public tours. This impacted 75 school and community/business groups (estimated to be over 1,500 visitors) that had scheduled a tour till December 2016. The public tour visitors impacted is unknown.

### **NEW Pilot "Bringing Shoreway to the Classroom" Presentation Program**

As an alternative to conducting tours at Shoreway, Staff has developed an in-classroom presentation program that will be conducted at the community schools while the MRF tour route is restored. Classroom presentations commence in November for 3<sup>rd</sup>-5<sup>th</sup> grade classes in our service area and San Mateo County. The in-class environmental education presentation addresses resource conservation, and provides specific instruction on the 4Rs (reduce, reuse, recycle, and rot/composting). The table below shows the classroom presentations that have been scheduled for November and December.

<u>Date</u>	<u>School/Group</u>	<u>Jurisdiction</u>	<u>Grade/Group</u>	<u>Total # of Participants</u>
November 15	Highlands Elementary	San Mateo	3 <sup>rd</sup>	27
November 16	Roosevelt Elementary	Burlingame	4 <sup>th</sup>	33
December 2	Lincoln Elementary	Burlingame	5 <sup>th</sup>	25
December 5	Fiesta Gardens Elementary	San Mateo	3 <sup>rd</sup>	25
December 6	Brewer Island Elementary	Foster City	5 <sup>th</sup>	31
December 6	Brewer Island Elementary	Foster City	5 <sup>th</sup>	31
December 8	Brewer Island Elementary	Foster City	5 <sup>th</sup>	31
December 8	Brewer Island Elementary	Foster City	5 <sup>th</sup>	31
December 12	Fiesta Gardens Elementary	San Mateo	3 <sup>rd</sup>	25
December 13	Fiesta Gardens Elementary	San Mateo	3 <sup>rd</sup>	25
December 13	Fiesta Gardens Elementary	San Mateo	3 <sup>rd</sup>	25
December 14	Hoover Elementary	Redwood City	5 <sup>th</sup>	31
December 14	Hoover Elementary	Redwood City	5 <sup>th</sup>	31
December 15	Selby Lane Elementary	Atherton	4 <sup>th</sup>	28
December 21	Hoover Elementary	Redwood City	5 <sup>th</sup>	31
<b>Total Participants</b> <i>based on teachers that have made a reservation for the classroom presentation.</i>				<b>430</b>

Staff is excited at the level of interest in the pilot in-class presentation program in the short time it has been introduced and views it as a testament to the quality of the existing tour program which always receives very positive feedback from participants. Staff will continue to promote and implement the program, especially to schools in member agencies that are not represented above. Staff is optimistic that the classroom presentation, like its precursor program, will be a success. This program will run until our popular tour program is back online.

### America Recycles Day Poster Contest

115 posters were submitted for the third America Recycles Day Poster Contest for all 3<sup>rd</sup> - 5<sup>th</sup> grade students in the RethinkWaste service area (the seven participating schools are listed in the table below). The theme of the contest was "*Rethink Waste – Be Recycled!*" A total of five posters that best met the criteria were chosen out of all of the entries and posted online for the public to vote for the top three favorites. Online voting took place November 1<sup>st</sup> -7<sup>th</sup>, and winners were notified by November 9<sup>th</sup>. The first place winner was Kaitlin Tan, 4<sup>th</sup> grade from George Hall Elementary School, San Mateo. Second place winner was Kathleen Suayan, 5<sup>th</sup> grade from Our Lady of Mount Carmel School, Redwood City. Third place winner was Ava Farrell, 4<sup>th</sup> grade from Belmont Oaks Academy, Belmont. All winners will be recognized at the America Recycles Day event at Shoreway Environmental Center on November 19<sup>th</sup>.

School Name	City	Grades	Total Participants
Belmont Oaks Academy	Belmont	3,4,5	35
George Hall Elementary	San Mateo	4	1
Fiesta Gardens	San Mateo	3	1
Nativity School	Menlo Park	4	1
Our Lady of Mount Carmel	Redwood City	3,4,5	75
Wornick Jewish Day School	Foster City	3	1
Arundel Elementary	San Carlos	3	1
7 schools	6 cities	3,4,5	115



1<sup>st</sup> Place, Kaitlin Tan, 4<sup>th</sup> Grade, San Mateo



2<sup>nd</sup> Place, Kathleen Suayan, 5<sup>th</sup> Grade, Redwood City

### America Recycles Day Event at Shoreway

Join us for our second America Recycles Day Event celebration on **Saturday November 19<sup>th</sup>, from 10:00am-1:00pm** at the Shoreway Environmental Center in San Carlos. Staff is planning for lots of fun activities for the whole family. The event will include free compost, E-Waste recycling, shredding, tours (Recycling facility

unavailable), arts and crafts, face painting and lots more. Bring your bottles and cans to redeem your money. Poster Contest winners will be recognized. Staff encourages Member Agencies to promote the event within their community.

### **Staffing**

Madison Guzman is our new Environmental Education Associate and started work on November 7<sup>th</sup>. Madison will be part of the Environmental Education programs and outreach team. She holds a Bachelor's of Science in Environmental Biology, emphasis in Ecosystem Ecology and Management. Staff is excited to welcome Madison on board!

### **Background**

#### **School Groups and Public Tour Program**

RethinkWaste offers field trips to the Shoreway Environmental Center to 3rd-12th grade public and private school classes in the Rethinkwaste service area. Public tours, open to all ages, are provided every 1<sup>st</sup> and 3<sup>rd</sup> Thursday of the month. In the last 2 years, the School Groups and Public Tour Program has hosted over 6,000 visitors a year. During the 2015/6 school year, the Tour program hosted 6,367 visitors, with a total of 4,904 students and chaperones and 1,463 general public, which includes public tour and business/community group visitors. The program activities are based on best practices in environmental education and are aligned to the California Common Core Standards. In 2015/6 school year staff implemented a "Tour Menu" which gives teachers an opportunity to choose a call-to-action supplemental activity they would like to engage in with their students during the standard tour.

### **Fiscal Impact**

There is no fiscal impact.





## STAFF REPORT

---

To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Chris Lehon, Lehon and Associates  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Update on Multi-Family Organics Collection Pilot Program

---

### Recommendation

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

### Summary

Staff has partnered with the California-based non-profit organization, Global Green, to deploy and assess enhanced food scrap reduction and recovery at multi-family buildings at several targeted accounts in Redwood City on a pilot basis. Recology staff provides important account knowledge, contacts and local market knowledge. Recycling, and especially food scrap recycling, has been very challenging to implement in multi-family buildings so the most effective strategies will be identified to reduce food disposal at the landfill.

The primary costs for this pilot project are grant-funded through Global Green. This pilot is a model that has recently been conducted in Alameda and Contra Costa Counties with promising results. The primary purpose of this project is to create a workable model for food scrap collection in multi-family buildings which can be shared with other property management companies throughout the local, state and national markets.

Residential property owner, managers and tenants are encouraged to participate in this program. Approximately ten accounts were initially targeted for participation and, to date, three locations have received program implementation and outreach activities. The project involves introducing green cart service at multi-family dwellings and then Global Green and its sub-consultants (including Recology) conduct door-to-door outreach in order to inform residents about the importance of recycling and food scrap diversion. Informational brochures and compost collection pails are distributed so tenants successfully participate in the program.

Waste audits are conducted both before and after outreach to determine if residents are participating in food scrap recycling. Waste audits at buildings and control buildings are conducted to determine what change in diversion rates resulted from door-to-door outreach to tenants. The data from waste audits will be analyzed to look for trends across all sites, among similarly sized sites, by city, and comparing the marketing messages. Waste audits and surveys results analysis will identify trends in the outcomes, any short and long term impacts on organics diversion and used to make recommendations for future projects.

As a result of the program's previous work, Global Green developed surveys, hand-outs and an outreach script that can be used again in the future so our ratepayers can implement a similar project at their building or complex without starting from scratch.





## STAFF REPORT

---

To: SBWMA Board Members  
From: Farouk Fakira, Finance Manger  
Date: November 17, 2016 Board of Directors Meeting  
Subject: Check Register for October 2016

---

### Recommendation

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

### Summary

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

### Analysis

The SBWMA has a contract with the City of San Carlos for accounting services including the issuing of all payments and deposit of all receipts. In accordance with the City of San Carlos' policies, checks are normally issued every two weeks. All SBWMA invoices are approved for payment by the program manager and then by the Executive Director or Finance Manager. Total A/P spending for October was \$4,124,975.11 as detailed in **Attachment A**. This amount includes payments for the fire restoration services of \$744,864.70 to Signal Restoration Services, \$148,407.94 to South Bay Recycling, and \$31,893 to Tanner Pacific for a total of \$925,165.64. So far, we have received \$2,500,000 in advanced payment from the insurance company.

Certain ACH transactions such as payroll and some benefit payments are drawn directly from the bank and are therefore not included in these A/P reports.

If you have any questions on this, please contact Cyndi Urman or Farouk Fakira. The format of the check registers is limited to what is available from the city's MUNIS accounting system.

### Attachments:

Attachment A – October 2016 Check Registers

10/14/2016 09:48  
lchen

CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL

P 1  
apcshdsb

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

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PO	CHECK RUN	NET
7282	10/14/2016	EFT	3 AARONSON DICKERSON COHN & LANZONE	916054-SB.R	09/26/2016		SI01416	6,412.50
				6,412.50 S0113010 520312				
							CHECK 7282 TOTAL:	6,412.50
7283	10/14/2016	EFT	2659 CRYSTAL SPRINGS CATERING	E01858	10/06/2016		SI01416	764.00
				764.00 S0113010 520300				
							CHECK 7283 TOTAL:	764.00
7284	10/14/2016	EFT	7624 KBA DOCUSYS INC	INV472532	09/21/2016		SI01416	123.16
				123.16 S0113010 520215				
							CHECK 7284 TOTAL:	123.16
7285	10/14/2016	EFT	8061 LANALERT, INC.	0520	10/01/2016		SI01416	6,471.51
				6,471.51 S0113010 520334				
							CHECK 7285 TOTAL:	6,471.51
7286	10/14/2016	EFT	1419 THE OFFICE CITY	IN-1383024	09/27/2016		SI01416	58.83
				58.83 S0113010 520201				
							CHECK 7286 TOTAL:	58.83
7287	10/14/2016	EFT	5446 RECOLOGY SAN MATEO COUNTY	062716	06/27/2016		SI01416	7,658.00
				7,658.00 S0113010 520340				
							CHECK 7287 TOTAL:	7,658.00
7288	10/14/2016	EFT	4688 RISK STRATEGIES COMPANY	928165	10/06/2016		SI01416	44,899.00
				44,899.00 S0113010 520710				
							CHECK 7288 TOTAL:	44,899.00
7289	10/14/2016	EFT	725 CITY OF SAN CARLOS	79951203	10/03/2016		SI01416	4,570.56
				4,570.56 S0113010 520203				
							RENT RENT	

10/14/2016 09:48  
Tchen

CITY OF SAN CARLOS  
A/P CASH DISBURSEMENTS JOURNAL

P 2  
apcshdsb

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

CHECK NO	CHK DATE	TYPE	VENDOR NAME	INVOICE	INV DATE	PD	CHECK RUN	NET
				INVOICE DTL	DESC			
Invoice: 198305			CITY OF SAN CARLOS	198305	10/03/2016		S101416	34,987.50
				34,987.50 S0113010 520310	ACCOUNTING SVCS			
					ACCOUNTING SERVICES			
Invoice: 11265			CITY OF SAN CARLOS	11265	10/03/2016		S101416	58.13
				58.13 S0113010 520204	POSTAGE			
					PRINTING AND POSTAGE			
					CHECK		7289 TOTAL:	39,616.19
7290 10/14/2016 EFT Invoice: 2016-ADJ			5512 SOUTH BAY RECYCLING LLC	2016-ADJ	10/06/2016		S101416	25,952.54
				45,624.35 S0113010 522712	ADJUSTMENT TO SBR MONTHLY INVOICES			
				-19,671.81 S0113010 522713	OPERATOR COMPENSATION SBR			
					DISPOSAL & PROCESSING COSTS			
					CHECK		7290 TOTAL:	25,952.54
7291 10/14/2016 PRD Invoice: 5512501			1441 ALPINE AWARDS ACCOUNTING	5512501	09/26/2016		S101416	383.14
				383.14 S0113010 520201	OFFICE SUPPLIES			
					OFFICE SUPPLIES			
					CHECK		7291 TOTAL:	383.14
7292 10/14/2016 PRD Invoice: 0813350			4357 CAMERON-COLE LLC	0813350	09/30/2016		S101416	2,655.00
				2,655.00 S0113010 520608	CLIMATE CHANGE REPORTING			
					CLIMATE CHANGE POLICY OPTIONS			
					CHECK		7292 TOTAL:	2,655.00
7293 10/14/2016 PRD Invoice: 3986556			7802 KBA DOSUSYS INC	3986556	09/25/2016		S101416	720.17
				720.17 S0113010 520215	OFFICE EQUIP COST			
					OFFICE EQUIPMENT COSTS			
					CHECK		7293 TOTAL:	720.17
7294 10/14/2016 PRD Invoice: 103137			233 NATURAL SETTINGS CORPORATION	103137	10/01/2016		S101416	531.00
				531.00 S0113010 520201	OFFICE SUPPLIES			
					OFFICE SUPPLIES			
					CHECK		7294 TOTAL:	531.00
7295 10/14/2016 PRD Invoice: 16693			5875 SCAPES INC	16693	09/30/2016		S101416	347.40
				347.40 S0113010 522714	SHOREWAY MAINTENANCE COSTS			
					SHOREWAY FACILITY COST			

SBWMA

10/14/2016 09:48 | CITY OF SAN CARLOS  
Tchen | A/P CASH DISBURSEMENTS JOURNAL

JP 3  
apcshdsb

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

INVOICE	INV DATE	PO	CHECK RUN	NET
INVOICE DTL DESC				
	CHECK	7295	TOTAL:	347.40
7296 10/14/2016 PRD 5443 SPECIALTY'S CAFE & BAKERY INC T2423-14665186	10/04/2016		S101416	101.95
Invoice: T2423-14665186	EXECUTIVE COMMITTEE MTG LUNCH BOARD ADMINISTRATION			
101.95 S0113010 520300	CHECK	7296	TOTAL:	101.95
7297 10/14/2016 PRD 3622 WELLS FARGO PAYMENT REMITTANCE CT 092716	09/27/2016		S101416	914.62
Invoice: 092716	SEPTEMBER 2016 STATEMENT OFFICE SUPPLIES TENANT IMPROVEMENTS TENANT IMPROVEMENTS			
10.00 S0113010 520201				
234.27 S0113010 520905				
670.35 S0113010 520905				
Invoice: 083116	WELLS FARGO PAYMENT REMITTANCE CT 083116			
	08/31/2016		S101416	5,748.70
	AUGUST 2016 STATEMENT BANK FEES AND SERVICES OFFICE SUPPLIES OFFICE SUPPLIES PROFESSIONAL DUES & MEMEBERSHS OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES COMPUTER PURCHASE FOR OFFICE OFFICE SUPPLIES EDUCATION CENTER OPERATIONS OFFICE SUPPLIES OFFICE SUPPLIES OFFICE SUPPLIES			
1,300.00 S0113010 520202				
595.89 S0113010 520201				
42.66 S0113010 520201				
147.41 S0113010 520501				
8.29 S0113010 520201				
78.00 S0113010 520201				
2,896.37 S0113010 522706				
9.09 S0113010 520201				
395.25 S0113010 522718				
67.58 S0113010 520201				
67.55 S0113010 520201				
140.61 S0113010 520201				
	CHECK	7297	TOTAL:	6,663.32

NUMBER OF CHECKS 16 \*\*\* CASH ACCOUNT TOTAL \*\*\*

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	7	11,401.98
TOTAL EFT'S	9	131,955.73

143,357.71
CP <input checked="" type="checkbox"/>
ARP <input checked="" type="checkbox"/>
EFT <input checked="" type="checkbox"/>
Email <input type="checkbox"/>

\*\*\* GRAND TOTAL \*\*\* 143,357.71

PREPARED BY: [Signature] DATE: 10/14/16  
 APPROVED BY: [Signature] DATE: 10/14/16  
 FUNDS TRANSFERRED BY: [Signature] DATE: 10/14/16  
 ACHS [Signature] 10/14/16  
 AGENDA ITEM 10 ATTACHMENT A - p3

10/17/2016 16:22 | CITY OF SAN CARLOS  
lchen | A/P CASH DISBURSEMENTS JOURNAL

SBWMA

P 1  
apcshdsb

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

INVOICE	INV DATE	PO	CHECK RUN	NET
INVOICE DTL DESC				
7298 10/17/2016 EFT 8202 SIGNAL RESTORATION SERVICES 0916-025MIST-1 09/29/2016 S101716 587,802.01 Invoice: 0916-025MIST-1				
587,802.01 S0113010 522720MRFES CONSTRUCTION COST				
	CHECK	7298 TOTAL:		587,802.01
7299 10/17/2016 EFT 5512 SOUTH BAY RECYCLING LLC 2016-0901 10/03/2016 S101716 148,407.94 Invoice: 2016-0901				
148,407.94 S0113010 522720MRFES CONSTRUCTION COST				
	CHECK	7299 TOTAL:		148,407.94
7300 10/17/2016 PRD 7976 TANNER PACIFIC INC 216-59 09/27/2016 2968 S101716 13,544.00 Invoice: 216-59				
13,544.00 S0113010 522720MRFES CONSTRUCTION COST				
	CHECK	7300 TOTAL:		13,544.00
Invoice: 216-67				
TANNER PACIFIC INC 216-67 10/04/2016 2968 S101716 10,487.00 10,487.00 S0113010 522720MRFES CONSTRUCTION COST				
	CHECK	7300 TOTAL:		24,031.00

NUMBER OF CHECKS 3 \*\*\* CASH ACCOUNT TOTAL \*\*\* 760,240.95

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	1	24,031.00
TOTAL EFT'S	2	736,209.95

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

\*\*\* GRAND TOTAL \*\*\* 760,240.95 ✓

PREPARED BY: [Signature] DATE: 10/17/16  
 APPROVED BY: [Signature] DATE: 10/17/16  
 FUNDS TRANSFERRED BY: [Signature] DATE: 10/17/16  
 ACH S10170002 . TX

10/24/2016 09:59 | CITY OF SAN CARLOS  
 lchen | A/P CASH DISBURSEMENTS JOURNAL

P 1  
 apcsbdb

CASH ACCOUNT: 5000 I10020 WELLS FARGO BANK  
 CHECK NO CHK DATE TYPE VENDOR NAME

INVOICE INV DATE PO CHECK RUN NET

		INVOICE		INV DATE	PO	CHECK RUN	NET
		INVOICE DTL DESC					
7301	10/24/2016	WIRE	2223 THE BANK OF NEW YORK MELLON TRUST NOV2016-2009A	10/20/2016			343,626.04
		Invoice: NOV2016-2009A					
		343,626.04	S011 114467	NOV 2016 2009A BOND PAYMENT INVESTMENT BNY 2009AB INTEREST			
						CHECK 7301 TOTAL:	343,626.04
NUMBER OF CHECKS		1	*** CASH ACCOUNT TOTAL ***				343,626.04
				COUNT	AMOUNT		
TOTAL WIRE TRANSFERS			1		343,626.04		
						*** GRAND TOTAL ***	343,626.04

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

PREPARED BY: *[Signature]* DATE: 10/20/16  
 APPROVED BY: *[Signature]* DATE: 10/24/16  
 CHECK TRANSFERRED BY: *[Signature]* DATE: 10/24/16  
*[Signature]* 10/26/16



10/28/2016 08:55 | CITY OF SAN CARLOS  
 lchen | A/P CASH DISBURSEMENTS JOURNAL

P 2  
 apcshdsb

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

INVOICE	INV DATE	PO	CHECK RUN	NET
INVOICE DTL DESC				
83.36 S0113010 520105				
228.86 S0113010 520503				
236.86 S0113010 520503				
16.10 S0113010 520503				
16.98 S0113010 520503				
10.52 S0113010 520503				
			CHECK 7306 TOTAL:	4,691.80
7307 10/28/2016 EFT	725 CITY OF SAN CARLOS	11274	10/19/2016	\$102816
Invoice: 11274			SEPT 2016 WELLS FARGO BK FEES	412.31
		412.31 S0113010 520202	BANK FEES AND SERVICES	
			CHECK 7307 TOTAL:	412.31
7308 10/28/2016 EFT	8202 SIGNAL RESTORATION SERVICES	0916-025MIST-2	10/06/2016	\$102816
Invoice: 0916-025MIST-2			RESTORATION COSTS FOR MRF FIRE	157,062.69
		157,062.69 S0113010 522720MRFES	CONSTRUCTION COST	
			CHECK 7308 TOTAL:	157,062.69
7309 10/28/2016 EFT	5512 SOUTH BAY RECYCLING LLC	2016-09.1	10/14/2016	\$102816
Invoice: 2016-09.1			SEPT 1-7, 2016 OPERATION OF THE SHOREWAY ENV CTR	399,542.29
		-7,415.25 S0113010 480033	MRF 3RD PARTY PROCESSING FEE	
		31,864.32 S0113010 522713	DISPOSAL & PROCESSING COSTS	
		-10,529.95 S0113010 522713	DISPOSAL & PROCESSING COSTS	
		17,123.13 S0113010 522717	BUYBACK PAYMENTS	
		2,929.67 S0113010 522714	SHOREWAY FACILITY COST	
		2,224.17 S0113010 520207	EQUIPMENT CHARGES	
		8,400.41 S0113010 520202SHORE	BANK FEES AND SERVICES	
		354,945.79 S0113010 522712	OPERATOR COMPENSATION SBR	
Invoice: 2016-09.2	SOUTH BAY RECYCLING LLC	2016-09.2	10/14/2016	\$102816
			SEPT 8-30, 2016 OPERATION OF SHOREWAY ENV CTR	951,748.10
		-320.36 S0113010 480033	MRF 3RD PARTY PROCESSING FEE	
		53,084.20 S0113010 522713	DISPOSAL & PROCESSING COSTS	
		898,984.26 S0113010 522712	OPERATOR COMPENSATION SBR	
			CHECK 7309 TOTAL:	1,351,290.39
7310 10/28/2016 EFT	7976 TANNER PACIFIC INC	216-73	10/10/2016 811	\$102816
Invoice: 216-73			10/2-10/9/16 CONSTRUCTION MGMT SVCS MRFES	7,862.00
		7,862.00 S0113010 522720MRFES	CONSTRUCTION COST	
			CHECK 7310 TOTAL:	7,862.00



SB

10/28/2016 08:55 | CITY OF SAN CARLOS  
lchen | A/P CASH DISBURSEMENTS JOURNAL

P 4  
apcshdsb

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

INVOICE	INV DATE	PO	CHECK RUN	NET
7318 10/28/2016 PRD 5557 RECOLOGY BLOSSOM VALLEY ORGANICS- 160930 Invoice: 160930	10/05/2016		S102816	237,175.39
237,175.39 S0113010 522713	SEPT 2016 SEGREGATED FOOD TO VERNALIS DISPOSAL & PROCESSING COSTS			
	CHECK		7318 TOTAL:	237,175.39
7319 10/28/2016 PRD 4519 SHRED-IT USA Invoice: 8120993808	10/07/2016		S102816	97.95
97.95 S0113010 520201	SEPT 2016 SHREDDING SERV OFFICE SUPPLIES			
	CHECK		7319 TOTAL:	97.95
7320 10/28/2016 PRD 5533 WM CURBSIDE LLC Invoice: 0000352-2960-8	10/01/2016		S102816	54,844.04
54,844.04 S0113010 522710	SEPT 2016 HHW SERVICE HHW COLLECTION SERVICE			
	CHECK		7320 TOTAL:	54,844.04
NUMBER OF CHECKS	19	*** CASH ACCOUNT TOTAL ***		2,877,750.41

	COUNT	AMOUNT
TOTAL PRINTED CHECKS	9	300,854.84
TOTAL EFT'S	10	2,576,895.57

\*\*\* GRAND TOTAL \*\*\* 2,877,750.41

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

PREPARED BY: [Signature] DATE: 10/28/16  
 APPROVED BY: [Signature] DATE: 10/28/16  
 FUNDS TRANSFERRED BY: [Signature] DATE: 10/28/16

ACHS 10280001 TWT  
 Mark G. Talbot 10/28/16



## STAFF UPDATE

---

### Potential Future Board Agenda Items *(Meetings at San Carlos Library Conference Room)*

#### December, 2016 – No Board Meeting

#### January 26, 2017

- Election of 2017 Board Chair and Vice Chair
- Approval of Executive Director's review of SBWMA Resources
- Approval of Executive Director's Goals for 2017
- Discussion of Mid-Year Budget Review
- Approval of Final Recommendations on Household Hazardous Waste Collection Options
- Approval of 2017 Public Education Plan
- Discussion on Future of Commercial Recycling Hauler Reporting System Ordinance
- Approval of Office Lease at San Carlos Library

#### February 23, 2017

- Fire impacts and final insurance report
- Approval of final mid-year budget projections

#### March 23, 2017

- Resolution Approving Calendar Year 2016 Financial Statements
- Discussion on Draft FY1718 Budget Priorities
- Resolution Approving Agreement to Conduct a Financial Systems Audit of the Collection Services and Facility Operations Contractors
- Resolution Approving Agreement to Conduct a Review of Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems
- Member Agency 2016 Snapshot Reports

#### April 27, 2017

- Presentation of preliminary FY1718 SBWMA Operating Budget
- Discussion of potential Uniform Franchise Agreement with Recology San Mateo County

#### May 25, 2017

- Approval of Uniform Franchise Agreement with Recology San Mateo County
- Review of Draft FY1617 Budget (Budget Workshop)
- Approval of Quarterly Investment Report
- Annual Solid Waste Rate Survey Results

#### June 22, 2017

- Resolution Adopting FY1718 SBWMA Budget and Tip Fee Adjustments for 2017
- Discussion on DRAFT Recology Compensation Application

- Resolution Approving Audit Findings from Review of Collection Services and Facility Operations Agreements
- Approval of Annual Contracts with Various Vendors: DTE Networks, T324, Aaronson Dickerson Cohen and Lanzone

**July 27, 2017**

- Resolution Adopting Property Insurance Renewal for FY1718
- Approval of Amendment to Executive Director's Contract

**September 28, 2017**

- Resolution Approving 2018 Recology Compensation Application
- Resolution Approving 2018 South Bay Recycling Compensation Application

**October 26, 2017**

- Resolution Approving 2018 Public Education Plan

**November 16, 2017**

- Resolution approving Merit Pool Increase for unrepresented employees
- Approval of SBWMA Legislative Priorities for 2018
- Annual Board and TAC Holiday Lunch