



ADMINISTRATION AND FINANCE

STAFF REPORT

To: SBWMA Board Members
From: Jean Savaree, General Counsel
Date: January 24, 2019 Board of Directors Meeting
Subject: Election of Board Officers for 2019

Recommendation

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

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

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

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

This selection traditionally occurred at the Board's January meeting. Staff recommends that the Board now select the Chair and Vice Chair for 2019.

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

Background

Staff recommends the following process for the Board to follow in electing a Chair and Vice Chair for calendar year 2018:

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

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

Fiscal Impact

None.

Attachments:

None.

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: January 24, 2019 Board of Directors Meeting
Subject: Resolution Approving the Acceptance of a \$1,000,000 Grant from the County of San Mateo for the SBWMA's Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System.

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-05 attached hereto authorizing the following action: **Resolution Approving the Acceptance of a \$1,000,000 Grant from the County of San Mateo to for the SBWMA's Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System**

Background

The County of San Mateo has a history of providing funding assistance for innovative solid waste projects and processing systems that divert waste materials generated in our County from landfills. Funding of these programs is provided through fees (AB939) that the County collects on each ton of waste that is disposed of in San Mateo County (by law, AB 939 fees are required to be used for the following three mandated solid waste program areas: 1) Diversion programs, projects and education activities 2) Household Hazardous Waste handling programs; and 3) Local Enforcement Agency (public health, environmental compliance and solid waste permitting activities). In San Mateo County, these programs are managed by staff in the Office of Sustainability and Environmental Health.

Analysis

During the past year, SBWMA staff have been in ongoing, collaborative discussions with SMC's Office of Sustainability staff regarding the possibility of significant grant funding for the SBWMA's Organics-to-Energy (O2) Pilot project that was being developed during this period. Once the SBWMA's Board approved the O2E Pilot project on November 15th, 2018, these grant discussions became concrete. The \$1M grant provided by the County of San Mateo Office of Sustainability reflects a spirit of collaboration between the two agencies to take local action to combat climate change. SMC Office of Sustainability's staff deserves special recognition for their efforts to support the O2E project and it is hoped that the project will serve as a template for other facilities within the region for mitigating waste and GHG emissions.

The Grant Agreement (see attached) is specially for the purchase of O2E equipment used for extracting organics from solid waste and is tied to the installation and operation of the O2E system. Legal counsels of both agencies have reviewed the agreement.

Fiscal Impacts

This \$1M in grant's funds is not budgeted in the FY18/19 Budget. The grant funds are dedicated to the purchase of capital equipment that are being purchased as part of the O2E Pilot project (the Board approved this project on November 15, 2018). This additional capital support will have a cumulative positive impact on the Agency's capital resources and will free up agency resources to fund additional O2E expansion. Upon receipt, the grant funds will be applied towards the costs associated with the installation of the specified OREX Press equipment which is an integral component of this pilot program's mechanical system.

Attachments:

Exhibit A – Grant Agreement between the County of San Mateo and the South Bayside Waste Management Authority

Exhibit B Part 1 – Summary of the Anaergia Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System

Exhibit B Part 2 – Full proposal on the Anaergia Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System (available by request only send email to: rethinker@rethinkwaste.org)



RESOLUTION NO. 2019-05

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING RESOLUTION APPROVING THE ACCEPTANCE OF A \$1,000,000 GRANT FROM THE COUNTY OF SAN MATEO FOR THE SBWMA'S ORGANICS-TO-ENERGY PILOT PROGRAM'S ORGANICS EXTRUSION RECOVERY SYSTEM (OREX) MECHANICAL PROCESSING SYSTEM

WHEREAS, on November 15, 2018 the Board approved the O2E pilot project and the expenditure of \$2.25 of agency funds towards the installation of the processing system,

WHEREAS, the County of San Mateo Office of Sustainability has the goal of improvement the local environment and combating climate change that will impact the County residents,

WHEREAS, the county's grant funds are a significant contribution to the O2E project that will reduce GHG emissions and convert waste to energy.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby Resolution Approving the acceptance of a \$1,000,000 Grant from the County of San Mateo for the SBWMA's Organics-to-Energy pilot program's Organics Extrusion Recovery System (OREX) Mechanical Processing System.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California, 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. 2019-04 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary

**GRANT AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

This Agreement is entered into this 26 day of February, 2019, by and between the County of San Mateo, a political subdivision of the state of California, hereinafter called "County," and the South Bayside Waste Management Authority, hereinafter called "Grantee."

* * *

Whereas, Grantee is a Joint Powers Authority that provides waste, recycling, and organics collection to its twelve member agencies, which includes the County and ten cities within San Mateo County; and

Whereas, Grantee is a leader in innovative waste reduction programs; and

Whereas, Grantee wishes to purchase and install an Organics Extrusion Recovery System ("OREX") at its Shoreway Environmental Center, which will recover organic material in the solid waste stream; and

Whereas, recovering organic material that would otherwise remain in the solid waste stream will reduce the amount of landfilled waste generated in San Mateo County; and

Whereas, recovered organic material can be anaerobically digested to produce carbon-negative renewable natural gas; and

Whereas, the County has funds available to grant, which will allow Grantee to fund a portion of the purchase and installation of the OREX ("OREX project").

Now, therefore, the parties to this Agreement agree as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Anaergia Organics Extrusion Recovery System Budgetary Proposal & Process Description

2. Grant

County hereby agrees to grant one million dollars (\$1,000,000.00) to Grantee, which shall be transferred to Grantee in four payments according to the following schedule of milestones and anticipated dates:

1. \$250,000 upon full execution of this agreement
2. \$250,000 upon the commencement of work to install the OREX (March 1, 2019)
3. \$250,000 upon operation of the of the OREX (September 1, 2019)
4. \$250,000 upon the ninetieth (90th) day that the OREX is operational (January 1, 2020)

3. Transfer of Funds

Grantee shall provide, at the time that this Agreement is executed, all information necessary for County to electronically transfer the Grant funds the Grantee.

4. Use of Grant Funds

Grantee shall use the Grant funds to pay invoiced costs associated with the purchase, installation, and maintenance of the OREX system, as set forth in Exhibit B. Grantee may also use Grant funds to reimburse these same costs paid by Grantee. Grant funds shall not be used for any other purpose.

5. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from February 26, 2018, through June 1, 2020.

6. Termination for Failure to Complete

In the event that Grantee abandons, discontinues, or otherwise does not complete the OREX project as set forth in Exhibit B, Grantee must provide written notice to County immediately. Grantee shall return all unexpended grant funds to County within 60 days, and the Agreement shall be terminated.

If the OREX project is abandoned or not completed within four (4) years of the date upon which the Grantee initiated the OREX project, Grantee shall return all unexpended grant funds to County within 60 days, and the Agreement shall be terminated.

7. Total OREX Project Cost

The total cost of the OREX project is approximately \$3,421,600. County and Grantee acknowledge the total cost of the OREX project will exceed the amount of Grant funds from the County. Grantee shall be responsible for funding the difference between the Grant funds available through this Agreement and the total cost of the OREX project.

8. Relationship of Parties

There is no new legal relationship between the County and Grantee by this Agreement. County shall have no rights of ownership or interest in the OREX equipment to be installed, nor shall it be liable or responsible for its installation or maintenance.

9. Hold Harmless

Grantee shall indemnify and save harmless County and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from the installation of the OREX system, the performance of any work or services required of Grantee under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

(A) injuries to or death of any person, including Grantee or its employees/officers/agents;

(B) damage to any property of any kind whatsoever and to whomsoever belonging;

(C) any sanctions, penalties, or claims of damages resulting from Grantee's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or

(D) claims of damages resulting from the purchase and installation contract(s) to be executed by Grantee with third party supplies and/or installers.

10. Assignability

Grantee shall not assign this Agreement or its right to receive Grant funds to a third party. Any such assignment without County's prior written consent shall give County the right to automatically and immediately terminate this Agreement without penalty or advance notice.

11. Insurance Requirements

Grantee represents and warrants that it shall require all third-party contractors providing equipment or installation services for the OREX project to have adequate insurance to cover damages, losses, claims, or suits involving work by each third-party contractor.

12. Compliance with Laws

In completing the OREX installation, Grantee shall comply with all applicable law, including public contracting laws, prevailing wage regulations, and other labor laws.

13. Publicity

Grantee will allow County to review and approve or reject any text of any proposed publicity concerning this Grant Agreement prior to its release. Notwithstanding the foregoing, Grantee may discuss this Grant Agreement at public meetings held by its boards, and shall respond to any Public Records Act requests, or similar records requests permitted by law, without notice to County.

14. Retention of Records; Right to Monitor and Audit

Grantee shall maintain all required records relating to this Agreement and the OREX project for three (3) years after County makes the final Grant funds transfer, and Grantee shall be subject to the examination and/or audit by County.

Grantee shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by County.

Grantee agrees upon reasonable notice to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

15. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this

document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

16. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

17. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of County, to:

Name/Title: **Gordon Tong, Sustainability Program Manager**
Address: 455 County Center, 4th Floor, Redwood City, CA 94063
Telephone: 650-363-4159
Facsimile: N/A
Email: gtong@smcgov.org

In the case of Grantee, to:

Name/Title: **Joe La Mariana, Executive Director**
Address: 610 Elm Street, Suite 202
San Carlos, CA 94070
Telephone: (650) 802-3505
Email: jlamariana@rethinkwaste.org

18. Electronic Signature

Both County and Grantee wish to permit this Agreement and future documents relating to this Agreement to be digitally signed in accordance with California law and County's Electronic Signature Administrative Memo. Any party to this Agreement may revoke such agreement to permit electronic signatures at any time in relation to all future documents by providing notice pursuant to this Agreement.

19. Payment of Permits/Licenses

Grantee bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Grantee's own expense prior to commencement of said work/services.

* * *

In witness of and in agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

For Grantee: South Bay Waste Management Authority

Joe La Mariana, Executive Director

Date

COUNTY OF SAN MATEO

By:

President, Board of Supervisors, San Mateo County

Date:

ATTEST:

By:

Clerk of Said Board

Exhibit A

In consideration of the grant funds detailed in Section 2 of this Agreement, Grantee shall provide the following services:

1. Purchase and Installation of OREX Project

Grantee will provide all oversight and coordination of the purchase and installation of an Organics Extrusion Recovery System ("OREX") at the Shoreway Environmental Center, as set forth in Exhibit B, which will recover organic material in the solid waste stream.

The OREX Project specifications are reflected in Exhibit B, the Anaergia proposal and process description. As reflected in the Exhibit, the OREX will be a pilot project, but will completely operational. The resulting OREX system will be able to process approximately 75 tons of throughput per day and is anticipated to operate approximately 260 days per year. The OREX Project is expected to function for 10 years. Operations and maintenance will be provided by Grantee. The long term goal is to repurpose the OREX into a full-scale operation.

2. Quarterly Accountings

Grantee shall provide County quarterly accountings beginning April 1, 2018, detailing how the Grant funds have been expended and the remaining balance of the Grant funds, if any, until all Grant funds are expended.

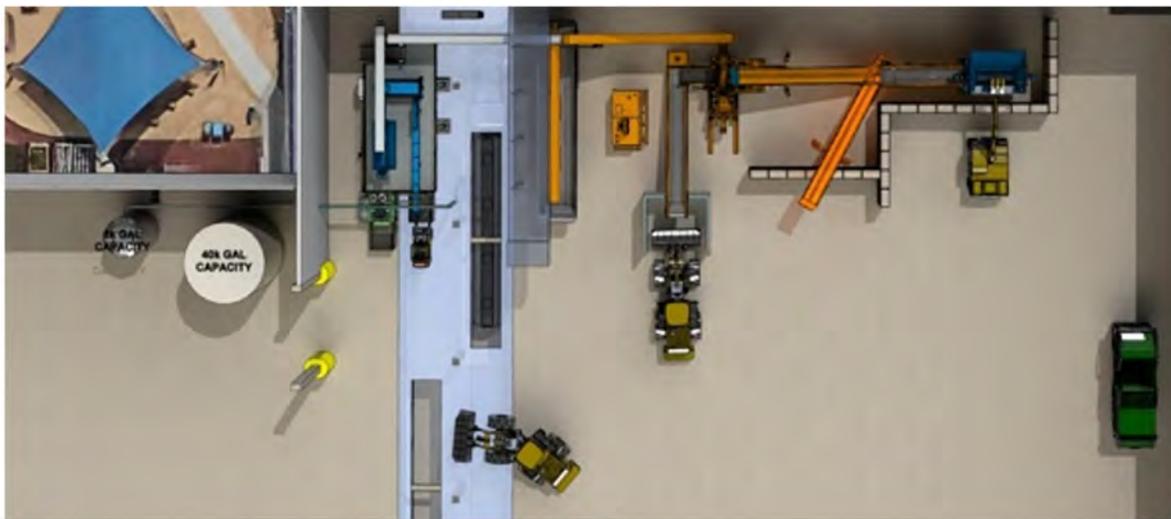
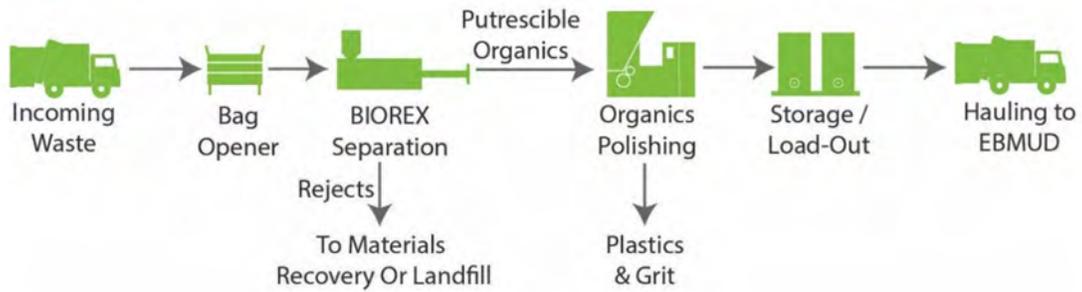
Exhibit B

(Attached Anaergia Proposal)

Exhibit B.

Shoreway Environmental Center O2E Processing System

Organics to Energy Process diagram and layout with bag opener, OREX, organics polishing, and storage with load out of polished slurry for transport to wastewater treatment plants for anaerobic digestion.



Anaergia Orex Press Detail (showing infeed and output)





STAFF REPORT

To: SBWMA Board Members
From: Jean B. Savaree, SBWMA Legal Counsel
Date: January 24, 2019 Board of Director's Meeting
Subject: Resolution Approving Second Amendment to the Executive Director's Employment Agreement

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-06 attached hereto authorizing the following action:

Approval of Second Amendment to the Executive Director's Employment Agreement (the Agreement).

Analysis

Attached hereto is a Second Amendment to the Agreement which reflects the Board's direction from its November 15, 2018 closed session. The following changes are proposed and reflected in the Resolution attached to this report (Attachment 1):

1. Paragraph 2(A), "Compensation," is modified increasing the Executive Director's salary from \$190,920 to \$200,000 retroactive to August 1, 2018, and indicating that he will receive a bonus of \$8,000.

Background

Mr. La Mariana was appointed as Executive Director on August 1, 2016. The Executive Director's Employment Agreement (Attachment 2), Paragraph 2(A), "Compensation," set his initial base compensation at \$185,000 per year. In addition to his base salary, the Executive Director receives twenty (20) days of vacation, personal leave, one hundred twenty (120) hours of yearly administrative leave, eight (8) hours per month of sick leave, bereavement leave, paid holidays, medical, dental, vision, disability and life insurance, and \$400 per month automobile allowance.

The Executive Director's written Employment Agreement at Paragraph 4(A) calls for the Board to review his performance annually.

The Executive Director's Employment Agreement, Paragraph 2(A), Compensation, set his base compensation at \$185,000 per year. After Mr. La Mariana's performance review in 2017, his base salary was adjusted to \$190,920 and he was provided with a one-time bonus of \$9,250. Adjustments to the Executive Director's compensation require Board action by resolution. On September 27, 2018, the Board conducted its second annual review of Mr. La Mariana's performance. The Board further met on November 15, 2018. Based upon that review, the Board instructed that a contract amendment adjusting the Executive Director's base compensation be prepared for consideration. Attached for the Board's consideration is a resolution amending Paragraph 2(A) of the Executive Director's Employment Agreement, adjusting his base annual compensation rate to \$200,000, retroactive to August 1, 2018.

Per Paragraph 2(C) of the Executive Director's Agreement, the Board may, from time to time, at its sole discretion, grant a merit increase to the Executive Director. Based on his performance during the last year, the Board directed that Mr. La Mariana's contract be further amended to authorize an \$8,000 bonus for Mr. La Mariana per Paragraph 2(C) of the Agreement.

Fiscal Impact

The proposed 3.99% adjustment in the Executive Director's salary would increase his yearly compensation by \$9,080, for a new base salary of \$200,000, effective August 1, 2018. The proposed bonus will result in a one-time payment of \$8,000 to Mr. La Mariana.

Attachments:

Resolution 2019-06 and Second Amendment to Employment Agreement

Exhibit A – Second Amendment to the Executive Director's Employment Agreement



RESOLUTION NO. 2019-06

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
APPROVING THE SECOND AMENDMENT TO THE EMPLOYMENT
AGREEMENT FOR THE EXECUTIVE DIRECTOR

WHEREAS, the Authority has completed its annual performance review of the Executive Director and determined to amend the Employment Agreement of the Executive Director (the Employment Agreement);

NOW, THEREFORE, BE IT RESOLVED that the Employment Agreement, **Exhibit A** hereto, is modified as follows:

1. Paragraph 2(A), "Compensation," is amended to increase the base salary for the Executive Director from \$190,920 to \$200,000, retroactive to August 1, 2018, and to reference a one-time merit bonus of \$8,000, pursuant to Paragraph 2(C) of the Employment Agreement.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 24th day of January, 2019, 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 District				

I HEREBY CERTIFY that the foregoing Resolution No. 2019-06 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary

**SECOND AMENDMENT TO THE
EMPLOYMENT AGREEMENT- EXECUTIVE DIRECTOR
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

This is the Second Amendment to the Executive Director Employment Agreement (the Agreement) by and between South Bayside Waste Management Authority, a California Joint Powers Authority (hereinafter "SBWMA") and Joe La Mariana, an individual (hereinafter "EMPLOYEE"), collectively the Parties.

RECITALS

- A. The Agreement was entered by the Parties on or about August 1, 2016 and provides for the services of Joe La Mariana as the Executive Director of the SBWMA.
- B. The SBWMA Board has met and reviewed the performance of the Executive Director.
- C. The Parties desire to amend the Agreement to adjust the Executive Director's base salary, retroactive to August 1, 2018, and to authorize a one-time merit bonus of \$8,000.

TERMS AND CONDITIONS

- 1. Paragraph 2(A), "Compensation," of the Agreement is amended to provide that the base salary of the Executive Director to be increased by four and three quarters percent (4.75%) from \$190,920 per annum to \$200,000 retroactive to August 1, 2018, and to reflect that a one-time merit bonus of \$8,000 is authorized for the Executive Director.
- 2. All other terms and conditions of the Agreement shall remain the same.

Dated: _____, 2019

SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY

By: _____
Chair of the Board of Directors

Dated: _____, 2019

EMPLOYEE

By: _____
Joe La Mariana

APPROVED AS TO FORM:

Jean B. Savaree, SBWMA Counsel

Dated: _____, 2019

STAFF REPORT

To: SBWMA Board Members
From: John Mangini, Sr. Finance Manager
Date: January 24, 2019 Board of Directors Meeting
Subject: Resolution Accepting Mid-Year Review of FY18/19 Annual Operating Budget

Board Action

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-07 attached hereto authorizing the following action:

Approval of the Mid-Year Budget Adjustments for FY18/19.

Analysis

Staff has conducted a thorough analysis of year-to-date revenues and expenditures. These findings were reviewed and discussed by the SBWMA Finance Committee at its January 10th meeting, **Attachment A** has been prepared to provide the Board with key budget and related information as follows:

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

Table 1

FY18/19 NET INCOME				
Categories	FY18/19 Adopted Budget	FY18/19 MidYear Projection	Variance to Adopted Budget	Variance %
Total Revenue	\$51,694,168	\$52,815,314	\$1,121,146	2.2%
Total Expenditures	\$49,381,363	\$49,497,264	(115,901)	-0.2%
Net Income:	\$2,312,805	\$3,318,050	\$1,005,245	43.5%

Net Income is projected at \$3,318,050 which is \$1,005,245 more than was projected in the Approved FY18/19 Budget (see **Table 1**).

Revenues

As shown in **Table 1 and Table 2** below, there was a Total positive Revenue variance of **\$1,121,146** due to the following:

1. Net commodity revenue increase of \$1.57 million driven by a favorable blended rate projection of \$32.44 per ton (\$112.36 vs \$79.92 as budgeted). The favorable commodity revenue projection results in a \$472,089 revenue share with SBR (see **Table 3**).

2. A decrease in projected franchise volume of 2,642 (1%) results in \$387,435 decrease in franchise revenue. All major volumes are projected to be slightly lower than budgeted.
3. Unfavorable public revenue of \$280,518 mainly driven by public C&D yardage shortfall of 16,307 vs. adopted budget.
4. Favorable interest income of \$226,769 vs. the adopted budget mainly due to increasing interest rates.

Table 2

FY18/19 REVENUE				
Revenue	FY18/19 Adopted Budget	FY18/19 MidYear Projection	Variance to Adopted Budget	Variance %
Tip Fee Revenue	\$47,324,987	\$46,657,035	(\$667,953)	-1%
<i>Non Franchised</i>	12,317,344	12,036,827	(280,518)	-2%
<i>Franchised</i>	35,007,643	34,620,208	(387,435)	-1%
Net Commodity Sales Revenue*	4,128,936	5,695,522	1,566,587	38%
Interest Income	233,300	460,069	226,769	97%
Fire Insurance Proceeds				
Other Revenue	6,945	2,688	(4,257)	-61%
Total Revenue:	51,694,168	52,815,314	1,121,146	2%

*Gross commodity sales less 25% revenue share with SBR and buyback payments.

Table 3

COMMODITY REVENUE				
	FY18/19 Proposed Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
COMMODITY REVENUE				
Tons Sold	62,450	62,729	279	0.4%
Wtd Avg. Price	\$ 79.92	\$ 112.36	\$ 32.44	46.1%
Gross Revenue	\$ 4,991,022	\$ 7,048,016	\$ 2,056,994	41.2%
Revenue Share w/ SBR	\$ -	\$ (472,089)	\$ (472,089)	
Buyback Payments	(862,086)	(880,404)	(18,318)	2.1%
Net Commodity Revenue	\$ 4,128,936	\$ 5,695,522	\$ 1,566,587	37.9%
Price / Volume Impact	Price	Volume	Total	
Tonnage Change	79.92	279	\$ 22,328	
Price Change	\$ 32.44	62,729	\$ 2,034,666	
Total Change (Gross)			\$ 2,056,994	

Expenses

Higher than budgeted Expenditures of \$115,901 are primarily due to the following (see Table 4 and Table 5):

1. SBR compensation is higher due to an increase in projected residue produced by the MRF and an adjustment to the cost basis assumptions for processing residue. Higher residue is a result the non-existent market value for #3 to #7 plastics. This increase is partially offset by a reduction in projected additional sort labor of \$0.4 million.
2. Lower disposal and processing cost of \$0.447 million is mainly due to: organics processing cost decrease \$0.304 million driven by lower projected tons of 8,355, C&D processing cost decrease of \$0.303 million due to lower projected tons of 4,539, offset by increased Solid Waste disposal of 0.282 million on an increase of 5,632 tons.
3. The SBWMA Program expense is projected to be slightly higher than budget due to the new Management Analyst position and increased Board Counsel expense.
4. Sewer expense will be \$25K higher than the original projection. Sewer expense is based on water usage.

Table 4

FY18/19 SBWMA EXPENDITURE SUMMARY				
Expenditures	FY18/19 Adopted Budget	FY18/19 MidYear Projection	Variance to Adopted Budget	Variance %
Administrative Expense	\$1,980,851	\$2,021,953	\$41,102	2%
Member Agency Support & Contract Compliance	\$514,430	\$ 541,281	\$26,851	5%
State Mandated Public Education & Outreach	\$880,500	\$881,585	\$1,085	0%
Total SBWMA Program Expense:	\$3,375,781	\$3,444,818	\$69,037	2%
Shoreway Operations:	\$46,005,582	\$46,052,446	\$46,864	0%
Total Expenses:	\$49,381,363	\$49,497,264	\$115,901	0%

Table 5

FY18/19 SHOREWAY OPERATIONS EXPENSE DETAIL				
Expenditures	FY18/19 Adopted Budget	FY18/19 MidYear Projection	Variance to Adopted Budget	Variance %
SBR Compensation	\$20,019,097	\$20,509,892	\$490,795	2%
Disposal and Processing	19,675,134	19,228,596	(446,538)	-2%
Property Insurance	884,803	884,803	-	0%
Education Center	60,000	60,000	-	0%
Credit Cards Charge	109,400	119,048	9,648	9%
Other Operating Expense	316,690	316,690	-	0%
Sewer Charge	45,510	70,276	24,766	54%
Fire Related Expense				0%
Total Shoreway Operations:	\$ 41,110,633	\$ 41,189,305	\$ 78,672	0%
Bond Interest Expense	2,641,333	2,641,333	-	0%
Franchise Fee (San Carlos)	2,253,616	2,221,808	(31,808)	-1%
Total Expense	\$ 46,005,582	\$ 46,052,446	\$ 46,864	0%

Capital Spending

No change in projected capital spending. Please see **Attachment A** for a worksheet on our capital projects. The adopted capital budget is \$3.318 million. The Board approved \$2.773 million in capital spend at the November 2018 BOD Meeting.

Reserve Balances

Table 6 below captures the Mid-Year reserve balance projections for FY18/19 compared to the Adopted Budget reserve balance. The projected Total Uncommitted Reserve favorable variance of \$2.650 million is primarily due an increase in the beginning balance by \$1.645 million from the actuals for FY17/18 plus the favorable increase in net income of \$1.005 million.

Table 6

FY18/19 BUDGET: RESERVE BALANCES					
	ACTUAL FY16/17	ACTUAL FY17/18	ADOPTED BUDGET FY18/19	MID-YEAR BUDGET FY18/19	Variance
UNCOMMITTED RESERVE:					
RATE STABILIZATON (7% of expense)	\$ 4,033,671	\$ 4,764,699	\$ 4,938,136	\$ 3,464,808	\$ (1,473,328)
EMERGENCY RESERVE (9% of expense)	4,033,671	4,764,699	4,895,300	4,454,754	(440,546)
CAPITAL RESERVE	6,828,704	5,598,894	957,415	5,521,413	4,563,999
UNDESIGNATED RESERVE				-	
TOTAL UNCOMMITTED RESERVES	\$ 14,896,047	\$ 15,128,292	\$ 10,790,851	\$ 13,440,976	\$ 2,650,125
COMMITTED RESERVE					
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,192,148	\$ 1,192,148	\$ 1,397,514	\$ 1,397,514	\$ -
TOTAL RESERVES	\$ 16,088,195	\$ 16,320,440	\$ 12,188,365	\$ 14,838,490	\$ 2,650,125
SHOREWAY REMEDIATION PROJECT	\$ 1,233,640	\$ 1,233,640	\$ 1,233,640	\$ 1,233,640	\$ -

Fiscal Impact

The Mid-Year Budget for FY18/19 shows Net Income of \$3.210 million which is \$1.005 million higher than the Approved FY18/19 Budget.

Attachments:

Resolution 2019-07

Attachment A – FY18/19 Budget Worksheets

Attachment B – Mid-Year Budget Tables



RESOLUTION NO. 2019-07
**RESOLUTION OF THE SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ACCEPTING MID-YEAR REVIEW OF FY18/19 ANNUAL OPERATING BUDGET**

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

NOW THEREFORE, BE IT RESOLVED, the South Bayside Waste Management Authority hereby approves the adjustments to the fiscal year 2018/2019 operating budget.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 24th day of January 2019, 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. 2019-07 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary

Attachment A - FY18/19 Mid- Year Budget Revenues by Major Source

	REVENUE SUMMARY	ACTUAL FY17/18	ADOPTED BUDGET FY18/19	YTD Earned 11/16/2018	MID-YEAR BUDGET FY 18/19	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
1	ADMINISTRATIVE REVENUE:							
2	INVESTMENT INCOME	\$ 263,256	\$ 233,300	\$ 119,678	\$ 460,069	\$ 226,769	97.2%	Higher balance and interest rates
4	TOTAL ADMINISTRATIVE	\$ 263,256	\$ 233,300	\$ 119,678	\$ 460,069	\$ 226,769	97.2%	
5	OPERATIONS REVENUE:							
6	SHOREWAY TIP FEES - Non Franchised	\$ 11,308,540	\$ 12,317,344	\$ 4,177,689	\$ 12,036,827	(280,518)	-2.3%	Lower projected Public C&D volumes than budgeted
7	SHOREWAY TIP FEES - Franchised	31,370,058	35,007,643	10,835,795	\$ 34,620,208	(387,435)	-1.1%	1% lower volume than projected mainly driven by Food Waste.
8	COMMODITY SALES REVENUE	\$ 8,008,016	\$ 4,991,022	\$ 1,699,142	\$ 7,048,016	2,056,994	41.2%	Positive variance driven by price for both containers and paper
9	COMMODITY REVENUE SHARING W/ SBR	(725,800)	-	(142,139)	\$ (472,089)	(472,089)	#DIV/0!	Higher commodity price resulting in revenue share to SBR (25% above \$5.6 million).
10	BUY BACK CENTER - Payment to Customers	(847,917)	(862,086)	(237,672)	(880,404)	(18,318)	2.1%	
14	MISCELLANEOUS REVENUE	29,392	6,945	11,442	2,688	(4,257)	-61.3%	
15	SUBTOTAL OPERATIONS REVENUE	\$ 49,142,289	\$ 51,460,868	\$ 16,344,258	\$ 52,355,245	\$ 894,377	1.7%	
16	FIRE RELATED REVENUE:							
17	NET INSURANCE PROCEEDS	87,030	-	\$ -	\$ -	\$ -	0.0%	
23	TOTAL OPERATING REVENUES	\$ 49,229,319	\$ 51,460,868	\$ 16,344,258	\$ 52,355,245	\$ 894,377	1.7%	
24	TOTAL REVENUE	\$ 49,492,575	\$ 51,694,168	\$ 16,463,936	\$ 52,815,314	\$ 1,121,146	2.2%	
25	TOTAL OPERATING EXPENSES	\$ 47,300,036	\$ 49,381,363	\$ 14,291,913	\$ 49,497,264	\$ 115,901	0.2%	
26	NET OPERATING INCOME	\$ 2,192,539	\$ 2,312,805	\$ 2,172,023	\$ 3,318,050	\$ 1,005,245	43.5%	Bond covenants achieved

REVENUES

line	EXPENDITURE SUMMARY	ACTUAL FY17/18	ADOPTED BUDGET FY18/19	YTD SPEND 11/16/2018	MID-YEAR BUDGET FY18/19	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
1	ADMINISTRATIVE EXPENSES							
2	ADMINISTRATIVE STAFF	\$ 653,200	\$ 648,000	\$ 192,603	\$ 571,653	\$ (76,348)	-11.8%	Interim Finance Manager moved to line 34 (Finance Analysis Support)
3	MANDATED COMPLIANCE SUPPORT STAFF	615,944	772,600	243,191	858,668	86,067	11.1%	New Management Analyst.
4	EMPLOYEE RECRUITMENT/HR SUPPORT	1,800	-	-	-	-	-	
5	BOARD COUNSEL	63,498	66,600	31,443	91,913	25,313	38.0%	Support for Amendment 1, Zero Landfill, Capital project contracts, Municipal Advisor RFO
6	BOARD MEETINGS	4,871	6,000	4,238	6,000	-	0.0%	\$4K for Holiday lunch, and \$2K for refreshments at Board meetings
7	ACCOUNTING SERVICES (CITY OF SAN CARLOS)	146,336	150,500	75,250	150,500	-	0.0%	Payment to City San Carlos for accounting services
8	INFORMATION SYSTEMS	34,617	31,000	13,973	31,000	-	0.0%	Three year contract to increase by CPI currently 2.5%
9	WEBSITE	11,933	42,400	3,017	42,400	-	0.0%	Website maintenance (\$12.4k); Overdue Website upgrade--outdated tech platform/improved design (\$30k)
10	ANNUAL AUDIT	10,205	8,600	2,588	8,600	-	0.0%	Fees paid to auditors to prepare FY & CY financial statements
11	D&O INSURANCE	44,580	45,900	48,470	48,470	2,570	5.6%	Annual insurance premium for director's and officer's insurance
12	BANK FEES	5,290	8,700	2,340	8,700	-	0.0%	Bank fees on checking account and fees paid to BNY as the Bond Trustee
13	RENT	54,847	55,900	22,853	55,900	-	0.0%	Office rent from the City of San Carlos with 3.5% increase every Jan. 1.
14	PRINTING AND POSTAGE	249	350	38	350	-	0.0%	
15	UTILITIES	29,167	17,000	6,541	17,000	-	0.0%	Includes phone and janitor services.
16	OFFICE/TENANT IMPROVEMENTS	85,149	2,000	4,884	7,000	5,000	250.0%	Office services, \$5K spent, another \$2k for furniture on order, new persons desk and carpet cleaning
17	OFFICE SUPPLIES	14,130	16,000	4,888	16,000	-	0.0%	Office supplies
18	OFFICE EQUIPMENT COSTS	19,391	11,600	3,510	11,600	-	0.0%	Base copier lease is \$600/month plus cost per copy
19	PUBLICATIONS & PUBLIC NOTICES	242	1,500	-	-	(1,500)	-100.0%	This cost is now part of Construction Management costs.
20	PROFESSIONAL DUES & MEMBERSHIPS	1,458	2,500	712	2,500	-	0.0%	Memberships to trade and community organizations (CRRRA, SWMA, NCRA, CCAC)
21	VEHICLE MILEAGE & TOLLS	1,110	700	368	700	-	0.0%	Reimbursement for business use of personal cars (non-auto allowance-eligible employees/fellows).
22	CELL PHONES	932	1,000	483	1,000	-	0.0%	Cell phone business expense.
23	CONFERENCE & MEETINGS	15,029	15,000	4,650	15,000	-	0.0%	CRRRA conference, progress seminar, SWANA meetings, lunch for SBWMA meetings, State of the City addresses
24	TRAINING	4,939	5,000	1,784	5,000	-	0.0%	Staff training opportunities. CCAC training, etc.
25	SPONSORSHIPS & DONATIONS	27,500	30,000	8,500	30,000	-	0.0%	CAW,CRRRA,SWANA. Acterra, Sustainable San Mateo, CPSC, NCRA Sponsorships
26	LEGISLATIVE & REGULATORY ADVOCACY	16,900	30,000	2,520	30,000	-	0.0%	Extend producer responsibilities (battery safety & diversion program support)
27	COMPUTER PURCHASE	14,690	12,000	5,704	12,000	-	0.0%	Computer equipment replacement in 2018-19 (3), hard drive, 2nd Ubiquity, Sonic Wall Upgrade
28	TOTAL ADMINISTRATIVE	\$ 1,878,006	\$ 1,980,851	\$ 684,547	\$ 2,021,953	\$ 41,102	2.1%	
29	MEMBER AGENCY SUPPORT & CONTRACT COMPLIANCE							
30	RATE REVIEW	\$ 50,339	\$ 63,400	\$ 14,251	\$ 14,251	\$ (49,150)	-77.5%	Office temp support (\$17k), HFH Rate App. support (\$46k) was not needed.
31	FACILITY IMPROVEMENT OVERSIGHT	14,646	75,000	-	75,000	-	0.0%	Engineering and construction management support
32	CONTRACT ANNUAL AUDITING	24,490	51,030	-	51,030	-	0.0%	Annual Financial & Systems Audit of RSMC and SBR by R3 (\$51k).
33	COLLECTION SERVICES FRANCHISE ADMIN.	31,513	50,000	19,790	50,000	-	0.0%	FA compliance, Amendment #1 support (BIC/AW/ storm water)
34	FINANCE ANALYSIS SUPPORT	570	-	42,516	76,000	76,000	-	Interim FM support. Expense moved from above (line 2 "Admin Staff")
35	RECYCLING TECHNICAL ASSISTANCE	47,364	60,000	-	60,000	-	0.0%	Diversion consultant support in lieu of LRP contractor (per adopted 3/23/17 Agency Assessment)
36	WASTE CHARACTERIZATION SUPPORT	12,676	30,000	-	30,000	-	0.0%	Waste characterization support
37	COLLECTION RFP CONSULTING SUPPORT	8,310	100,000	36,491	100,000	-	0.0%	Disposal Service Contract--RFP tech support/engineering review
38	BATTERY MANAGEMENT PLANNING	38,796	85,000	22,740	85,000	-	0.0%	Consulting support for best-practices studying & recommend changes to collection programs
39	HHW DOOR TO DOOR COLLECTION OUTREACH	-	-	-	-	-	-	
40	TOTAL MA SUPPORT & CONTRACT COMPLIANCE	\$ 228,703	\$ 514,430	\$ 135,788	\$ 541,281	\$ 26,851	5.2%	
41	STATE MANDATED PUBLIC EDUCATION & OUTREACH							
42	STATE'S REQUIRED ANNUAL REPORTS	\$ 30,816	\$ 28,000	\$ 25,178	\$ 28,000	\$ -	0.0%	Annual AB 939 EAR submittal for 10-MAs. +\$2K for possible CalRecycle Reporting/Commodities (T+M only). Note: no consultant rate adjustment from 1999-2016.
43	SBWMA ANNUAL REPORT	-	5,000	-	5,000	-	0.0%	Creation of annual report
44	DIVERSION PROGRAM SUPPORT	-	90,000	5,806	90,000	-	0.0%	Tech Data CaptureSystems (\$50k); Public spaces recycling assistance (\$30k); Diversion program support (\$10k)
45	EVENT GIVEAWAYS	14,960	5,000	2,179	5,000	-	0.0%	
46	DIVERSION; COMPLIANCE; ZERO LANDFILL PROGRAMS	217,976	185,000	120,289	185,000	-	0.0%	In-school pilot/education supplies (\$60k); ZLF initiatives-tech support and consulting services (\$50k); compost events (\$50k); 2 Fix-It clinics (\$25k)
47	LARGE EVENT & VENUE SUPPORT	-	12,500	-	12,500	-	0.0%	Partial cost of Earth Day event and SBR servies for Recycle Day event
48	CLIMATE ACTION PLANNING	14,060	25,000	1,104	25,000	-	0.0%	Annual climate register & Member Agency support.
49	RECYCLING TECHNICAL ASSISTANCE	-	40,000	-	40,000	-	0.0%	AB1826 & 341 Compliance
50	COMMERCIAL/MFD CONTAINERS	22,309	50,000	27,148	50,000	-	0.0%	MFD recycle bags, internal R containers, MA containers per Franchise Agreement
51	MULTI-FAMILY OUTREACH	16,031	75,000	11,930	75,000	-	0.0%	AB341&1826 Compliance, MFD Toolkit and outreach per Franchise Agreement
52	MEMBER AGENCY & RATE PAYER EDUCATION	473	110,000	50,292	110,000	-	0.0%	Biannual newsletters to Member Agency residents.
53	RESIDENTIAL OUTREACH PROGRAMS	28,451	80,000	48,868	80,000	-	0.0%	Outreach per FA, Annual Service Notice FA; website & social media
54	COMMUNITY EVENTS	5,571	20,000	11,725	20,000	-	0.0%	Community Events (shred, e-scrap, composting) outreach support, Earth Day, RRD

line	EXPENDITURE SUMMARY	ACTUAL FY17/18	ADOPTED BUDGET FY18/19	YTD SPEND 11/16/2018	MID-YEAR BUDGET FY18/19	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
55	HHW PROGRAM OUTREACH	66,462	\$ 65,000	-	65,000	-	0.0%	Annual promotion of local HHW disposal options for all ratepayers
57	CURBSIDE HOUSEHOLD BATTERY OUTREACH	22,237	\$ 75,000	76,085	76,085	1,085	1.4%	New program to educate customers about risk of battery fires and recycling options
58	SHRED EVENT SERVICE	(2,651)	\$ 15,000	6,873	15,000	-	0.0%	
59	TOTAL STATE MANDATED PUBLIC EDUCATION & OUTREACH	\$ 436,694	\$ 880,500	\$ 387,476	\$ 881,585	\$ 1,085	0.1%	
60	TOTAL SBWMA PROGRAM BUDGET	\$ 2,543,403	\$ 3,375,781	\$ 1,207,811	\$ 3,444,818	\$ 69,037	2.0%	
61	SHOREWAY OPERATIONS							
62	OPERATING CONTRACT - SBR OPERATIONS	\$ 20,747,954	\$ 20,019,097	\$ 5,064,507	\$ 20,509,892	490,795	2.5%	Unfavorable due to adjusted cost assumptions from adopted budget and increased residue tonnage
63	DISPOSAL	17,673,370	\$ 19,675,134	6,245,472	19,228,596	(446,538)	-2.3%	Updated volume projections. Mainly from Public C&D projecting 13% lower yardage than adopted budget.
64	INSURANCE SHOREWAY	810,162	\$ 884,803	493,135	884,803	-	0.0%	Property insurance premium increase estimated at 9%. Large increase in 2018 due to 2016 fire loss.
65	SHOREWAY FACILITY COST	460,156	\$ 200,000	38,170	200,000	-	0.0%	Budget for unanticipated routine Shoreway maintenance items that are non-CapEx
66	CREDIT CARDS CHARGES	108,768	\$ 109,400	29,762	119,048	9,648	8.8%	SBR pass through their credit card fees from their bank from public customers.
67	SHOREWAY CHARGES	26,690	\$ 26,690	6,673	26,690	-	0.0%	Amortization of additional trailer cost added in 2015.
68	EDUCATION CENTER OPERATIONS	61,353	\$ 60,000	8,851	60,000	-	0.0%	Tours program equipment, school bus services, poster and art contests
69	MAINTENANCE - OX MTN TIPPER	1,698	\$ 40,000	-	40,000	-	0.0%	Maintenance expense for truck tipper located at Ox Mtn and owned by JPA
70	SHOREWAY MRF EQUIP. MAINTENANCE > \$10k	-	\$ 50,000	-	50,000	-	0.0%	Unanticipated MRF equipment maintenance (non-CapEx) expense
71	SEWER FEES (PROPERTY TAX)	44,186	\$ 45,510	35,484	70,276	24,766	54.4%	Actual sewer charge from City of San Carlos on tax bill based on prior year water usage
72	SUB SHOREWAY OPERATIONS COST	\$ 39,934,338	\$ 41,110,633	\$ 11,922,055	\$ 41,189,305	\$ 78,672	0.2%	
73	FIRE RELATED EXPENSES:							
74	OPERATING CONTRACT - SBR - FIRE RELATED	\$ -	\$ -	\$ -	\$ -	\$ -		No more fires budgeted!
75	SUB FIRE COST	\$ -	\$ -	\$ -	\$ -	\$ -	0.0%	
76	TOTAL SHOREWAY OPERATION	\$ 39,934,338	\$ 41,110,633	\$ 11,922,055	\$ 41,189,305	\$ 78,672	0.2%	
77	TOTAL OPERATING EXPENSES	\$ 42,477,741	\$ 44,486,414	\$ 13,129,866	\$ 44,634,123	\$ 147,709	0.3%	
78	NON-OPERATING EXPENSES							
79	LOSS ON SALE OF PROPERTY	\$ 86,680						
80	DEBT SERVICE BOND INTEREST	\$ 2,702,669	\$ 2,641,333	\$ 450,083	\$ 2,641,333	-	0.0%	Solid Waste Enterprise Revenue Bond interest payments.
81	FRANCHISE FEE TO CITY OF SAN CARLOS	2,032,946	2,253,616	711,964	2,221,808	(31,808)	-1.4%	5% Franchise Fees paid by JPA to the City of San Carlos on tip fee revenue.
82	TOTAL NON-OPERATING EXPENSES	\$ 4,822,295	\$ 4,894,949	\$ 1,162,047	\$ 4,863,141	\$ (31,808)	-0.6%	
83	TOTAL SHOREWAY OPERATING EXPENSES	\$ 44,756,633	\$ 46,005,582	\$ 13,084,102	\$ 46,052,446	\$ 46,864	0.1%	
84	TOTAL EXPENSES (SBWMA Program + All Shoreway Operations)	\$ 47,300,036	\$ 49,381,363	\$ 14,291,913	\$ 49,497,264	\$ 115,901	0.2%	

FY1819 BUDGET

CAPITAL EXPENDITURE BUDGET					
Capital Project Name	Approved FY15/16	Approved Budget FY16/17	Approved Budget FY17/18	Forecast FY17/18	Proposed Budget FY18/19
Transfer Station (TS)Tipping floor resurfacing	100,000	100,000	225,000		-
Site paving repairs and restriping ²	-	-	50,000		-
Truck shop building maintenance	20,000	110,000	25,000		25,000
TS building maintenance	20,000	20,000	50,000		50,000
MRF building maintenance	225,000	125,000	50,000		50,000
Admin building maintenance	20,000	115,000	75,000		40,000
Site maintenance	65,000	30,000	150,000		50,000
Fire suppression	15,000	-	325,000		200,000
Repairs to landfill tipper	15,000	15,000	15,000		15,000
Education center exhibits	-	-	15,000		-
Electric charging station	-	-	15,000		-
New projects (Mainly O2E Pilot & Glass Load)					2,887,500
Storm Water Treatment System			30,000		
Glass Conveyance & Loadout System			550,000		-
Enhancements to Public Recycling Center			200,000		-
Polystyrene Recycler/Densifier			65,000		-
MRF Equipment Replacement	113,750	207,500	-		-
Total Budget for Captial Projects	1,317,750	722,500	1,840,000	-	3,317,500

CAPITAL

Attachment B - FY18/19 Budget Support Files: REVENUE, EXPENSE DETAIL

Update: Dec 2019

Summary Tables

Table B.1

TIP FEE REVENUE				
	FY18/19 Adopted Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
Franchise Revenue				
Tons	298,398	295,756	(2,642)	-0.9%
Wtd Avg. Tip Fee	\$ 117.32	\$ 117.06	(0.26)	-0.2%
Franchise Revenue	\$ 35,007,643	\$ 34,620,208	\$ (387,435)	-1.1%
Public Revenue				
Cu/Yards	218,953	206,639	(12,314)	-6.4%
Wtd Avg. Tip Fee	\$ 41.89	\$ 42.26	0.36	0.4%
Public Revenue Cu/YDS	\$ 9,172,353	\$ 8,731,784	\$ (440,569)	-6.0%
Tons (3rd party - mostly Recology)	27,410	28,057	647	5.0%
Wtd Avg. Tip Fee	\$ 114.74	\$ 117.80	3.06	8.0%
Public Revenue Tons	\$ 3,144,991	\$ 3,305,043	\$ 160,051	12.1%
Public Revenue Total	\$ 12,317,344	\$ 12,036,827	\$ (280,518)	-2.3%
Total Tip Fee Revenue	\$ 47,324,987	\$ 46,657,035	\$ (667,953)	-1.4%

Table B.2

COMMODITY REVENUE				
	FY18/19 Adopted Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
COMMODITY REVENUE				
Tons Sold	62,450	62,729	279	0.4%
Wtd Avg. Price	\$ 79.92	\$ 112.36	\$ 32.44	46.1%
Gross Revenue	\$ 4,991,022	\$ 7,048,016	\$ 2,056,994	41.2%
Revenue Share w/ SBR	\$ -	\$ (472,089)	\$ (472,089)	
Buyback Payments	\$ (862,086)	\$ (880,404)	\$ (18,318)	2.1%
Net Commodity Revenue	\$ 4,128,936	\$ 5,695,522	\$ 1,566,587	37.9%

Table B.3

SBR OPERATING EXPENSE				
A. Summary	FY18/19 Adopted Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
MRF	\$ 6,617,080	\$ 7,490,082	\$ 873,002	13.2%
Transfer Station	5,222,136	5,084,748	\$ (137,388)	-2.6%
Transportation	8,101,388	7,856,568	\$ (244,819)	-3.0%
Interest	78,493	78,493	\$ -	0.0%
TOTAL SBR EXPENSE	\$ 20,019,097	\$ 20,509,892	\$ 490,795	2.5%
B. SBR Expense Detail	FY18/19 Adopted Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
MRF				
Tons, Inbound	70,869	76,477	5,608	7.4%
Tons, residue	(9,185)	(13,748)	(4,563)	-86.1%
Tons, net sold	63,272	62,729	(542)	-0.8%
Wtd Avg. Rate	\$ 95.47	\$ 116.52	\$ 21.05	21.2%
Expense	\$ 6,040,593	\$ 7,309,380	\$ 1,268,787	18.1%
MRF Additional Sorters	\$ 576,487	\$ 180,702	\$ (395,785)	
Transfer Station				
Tons	401,772	394,509	(7,262)	-2.0%
Wtd Avg. Rate	\$ 13.00	\$ 12.89	\$ (0.11)	-0.8%
Expense	\$ 5,222,136	\$ 5,084,748	\$ (137,388)	-2.9%
Transportation				
Tons	401,772	394,509	(7,262)	-2.0%
Wtd. Avg. Rate	\$ 20.16	\$ 19.91	\$ (0.25)	-1.3%
Expense	\$ 8,101,388	\$ 7,856,568	\$ (244,819)	-3.5%
Interest	\$ 78,493	\$ 78,493	\$ -	0.0%
TOTAL SBR "PAID" TONS	866,815	851,748	(15,067)	-1.9%
TOTAL SBR EXPENSE	\$ 20,019,097	\$ 20,509,892	\$ 490,795	2.6%

Table B.4

DISPOSAL & PROCESSING EXPENSE				
	FY18/19 Adopted Budget	FY18/19 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
A. Summary				
Solid Waste	\$ 8,979,487	\$ 9,261,655	\$ 282,168	3.1%
Organics	\$ 6,733,790	\$ 6,429,376	\$ (304,414)	-6.8%
C&D, dirt	\$ 3,840,436	\$ 3,537,112	\$ (303,324)	-14.2%
Other	\$ 429,926	\$ 464,511	\$ 34,585	9.6%
Subtotal	\$ 19,983,638	\$ 19,692,653	\$ (290,986)	-1.8%
Paid by SBR on MRF residue	\$ (308,505)	\$ (464,057)	\$ (155,552)	88.5%
TOTAL DISPOSAL EXPENSE	\$ 19,675,134	\$ 19,228,596	\$ (446,538)	-2.8%
B. Detail				
Solid Waste (Ox Mtn.)				
Tons, net	213,874	219,506	5,632	2.6%
Wtd Avg.Rate	\$ 41.98	\$ 42.19	\$ 0.21	0.5%
Expense	\$ 8,979,487	\$ 9,261,655	282,168	3.1%
Organics (Newby, Grover)				
Tons, net	130,850	122,495	(8,355)	-7.6%
Wtd Avg.Rate	\$ 51.46	\$ 52.49	\$ 1.02	2.5%
Expense	\$ 6,733,790	\$ 6,429,376	(304,414)	-6.8%
C&D (Zanker)				
Tons, net	57,047	52,508	(4,539)	-13.2%
Wtd Avg.Rate	\$ 67.32	\$ 67.36	\$ 0.04	0.1%
Expense	\$ 3,840,436	\$ 3,537,112	(303,324)	-14.2%
Other				
Tires	\$ 5,336	\$ 2,468	\$ (2,868)	-34.2%
Mattresses	\$ -	\$ -	\$ -	
Appliances	\$ 49,120	\$ 43,360	\$ (5,760)	-12.6%
Hazardous Waste	\$ 353,229	\$ 402,392	\$ 49,164	16.6%
Sharps, Misc.	\$ 22,241	\$ 16,290	\$ (5,951)	-57.5%
Expense	\$ 429,926	\$ 464,511	\$ 34,585	9.6%
Summary				
TS Tons	401,772	394,509	(7,262)	-2.0%
Wtd Avg.Rate	\$ 48.97	\$ 48.74	\$ (0.23)	-0.5%
Disposal Expense	\$ 19,675,134	\$ 19,228,596	\$ (446,538)	-2.8%

STAFF REPORT

To: SBWMA Board Members
From: Julia Au, Recycling Outreach Programs Manager
Date: January 24, 2019 Board of Directors Meeting
Subject: Resolution Approving 2019-2020 Public Education Plan

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-08 attached hereto authorizing the adoption of the 2019-2020 Public Education Plan.

Analysis

Preparation and Board approval of the Annual Public Education Plan is a requirement of the Member Agency Franchise Agreements. Starting with the 2013 Annual Public Education Plan, RethinkWaste became responsible for developing and implementing the public education activities associated after administrative changes were approved by the Franchise Agreements. This Public Education Plan was developed by Staff with significant input from the Public Education and Outreach Subcommittee, which includes Recology. Subcommittee members include: Davina Hurt, Board Member (Belmont); Roxanne Murray, TAC Vice Chair (City of San Mateo); Andra Lorenz, TAC Member (Foster City); Gordon Tong, TAC Member (County of San Mateo); Recology Zero Waste Manager - Mia Rossi; SBWMA Staff—Joe La Mariana, Executive Director; Julia Au, Subcommittee Chair; Emi Hashizume, Environmental Education Manager.

The 2019-2020 Public Education Plan (**Exhibit A**) is a comprehensive plan that details the overall coordinated efforts of both RethinkWaste and Recology San Mateo County to ensure residents and businesses are knowledgeable of and actively participating in all the franchised programs and services available to them in the RethinkWaste service area. The plan also includes RethinkWaste's related outreach efforts (e.g., Multi-Family Toolkit, mandatory commercial recycling outreach) that support, or compliment franchised services and outreach requirements to support California state laws.

All outreach activities detailed in **Exhibit A** were included in the Board-adopted FY18/19 budget and there are no new efforts or costs included in this plan outside of this time-frame. Activities beyond FY 18/19 are considered tentative until a FY 19/20 budget has been adopted by the Board. Staff has included a calendar of outreach activities for all of 2019.

Staff will continue to work in collaboration with the Public Education and Outreach Subcommittee for input on the content and look of the outreach pieces identified in the 2019-2020 Plan to maximize their effectiveness.

Background

RethinkWaste's overall mission is to provide cost effective waste reduction, recycling and solid waste programs to Member Agencies through franchised services to meet and sustain diversion rates, recycling goals and other related programs as mandated by the State. As part of this goal, RethinkWaste is responsible for developing and

implementing a variety of public education and public awareness activities to support the programs and services provided to residents and businesses in the service area, including those provided by Recology.

While RethinkWaste is responsible for developing and implementing the public education activities associated with the Franchise Agreements, Recology remains contractually responsible for the costs associated with producing and distributing the public education materials prescribed in the Franchise Agreements such as bill inserts, commercial brochures and posters.

Fiscal Impact

All costs associated with the Public Education Plan for FY 18/19 are already budgeted and approved. As in the past, costs associated within FY19/20 are dependent on future budget approval. No program spending will occur during FY19/20 until the SBWMA Board has approved this budget.

Attachments:

Resolution 2019-08

Exhibit A – 2019-2020 Public Education Plan



RESOLUTION NO. 2019-08

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS

WHEREAS, the twelve Member Agencies of the South Bayside Waste Management Authority (SBWMA) have each executed a Franchise Agreement for Recyclable Materials, Organic Materials, and Solid Waste Collection Services with Recology San Mateo County (Recology); and

WHEREAS, the SBWMA is responsible for overall outreach of the programs and services on behalf of the 12 Member Agencies; and

WHEREAS, the 2019-2020 Public Education Plan includes both Recology’s Franchise Agreement public education requirements for calendar years 2019 and 2020, and related SBWMA outreach per the Board-adopted FY18/19 budget;

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the 2019-2020 Public Education and Outreach Plan.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 24th day of January, 2019, 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. 2019-08 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary



A Public Agency

2019-2020 PUBLIC EDUCATION PLAN

JANUARY 2019

INTRODUCTION

The core mission of RethinkWaste is to provide cost-effective waste reduction, recycling and solid waste programs to Member Agencies through franchised services and to meet and sustain diversion rates, recycling goals and other related programs as mandated by the State of California. Additionally, RethinkWaste's current focus in the next two years will be an emphasis on the responsible handling of lithium-ion batteries and organics diversion programs and activities. As part of this goal, RethinkWaste is responsible for developing and implementing a variety of public education and public awareness activities to support the continued success of the recycling, compost and solid waste programs and services provided by the joint powers authority and the services provided by Recology San Mateo County (Recology).

This two-year 2019-2020 Public Education Plan (Plan) details the overall, coordinated efforts of both RethinkWaste (Staff and its Public Education and Outreach Subcommittee) and Recology to ensure that residents and businesses are knowledgeable about and actively participating in all available solid waste, recycling and composting programs and services. The Plan encompasses Recology's contractual public education requirements and RethinkWaste's related outreach efforts in its adopted FY18/19 budget and beyond.

As of 2013, RethinkWaste is responsible for developing and implementing an annual Public Education Plan as specified in section 7.03B of the Franchise Agreements between Recology and each of the 12 RethinkWaste Member Agencies. This responsibility was previously required of Recology, but contract amendments transferred this responsibility to RethinkWaste. As a matter of past practice, this Plan is developed by RethinkWaste Staff with strong collaborate engagement of the Agency's Public Education and Outreach Subcommittee, which includes direct participation by Recology.

While RethinkWaste is responsible for developing and implementing the public education activities associated with the Franchise Agreements, Recology remains contractually responsible for the costs associated with producing and distributing the public education materials prescribed in the Franchise Agreements such as bill inserts, commercial brochures and posters.

The 2019-2020 Public Education Plan is an overarching guidance document designed to ensure that residential and commercial customers are kept apprised of the programs available to them; the benefits of source reduction, reuse, recycling and compost; and the proper handling of household hazardous waste. Public education materials will use visual and graphic images to be as clear as possible regarding program parameters.

This Plan incorporates the use of social media, emphasizes requirements from the State, including future diversion rate goals and will focus on fostering positive behavior change in residents and business. The Plan is flexible and may be adjusting to accommodate unforeseen circumstances. Each outreach campaign, material or strategy will include a method to measure effectiveness, including but not limited to, using existing information that is either provided by Recology or South Bay Recycling.

RethinkWaste will continue to work in collaboration with Recology and Member Agency staff to develop outreach and education efforts designed to engage customers, promote program success and achieve Member Agencies' goals.

SECTION 1: RECOLOGY SAN MATEO COUNTY FRANCHISE AGREEMENT REQUIREMENTS

This section highlights Recology's public education requirements and obligations per the Franchise Agreements. Please refer to the Public Education Schedule (**Attachment A**) for a complete timeline of calendar year activities. RethinkWaste takes the lead in developing all public education materials with review provided by Recology. RethinkWaste and Recology will collaborate on the timing of various mailings and education campaigns to minimize overall impact to customers and Recology's call center.

1. Bill Inserts – Franchise Agreement Section 7.03(E) (17)

The Franchise Agreement allows for the insertion of up to a total of twelve solid waste bill inserts each rate year divided between residential and commercial customers for each Member Agency, of which the contents for nine of these bill inserts are specifically stated. The intent behind the nine specific bill inserts is to ensure that the information conveyed is uniform and applicable to all Member Agencies regarding the specific programs provided to all residents and businesses by Recology in the RethinkWaste service area. Some of these bill inserts can be combined. The remaining inserts are left unspecified to allow Member Agencies the flexibility to develop their own bill inserts to promote related diversion programs or events specific to their Agency. Therefore, Member Agencies may develop additional customized inserts (at no additional cost) in those instances where not all nine prescribed inserts are utilized, or when some are combined.

Developing a customized bill insert requires a minimum of a six-week lead time to ensure production, printing and insertion in bills can be completed for the desired billing cycling. For reference, **Table 1** below provides the Member Agencies' residential billing cycle with Recology. Residential customers are billed quarterly. However, commercial customers (which include multi-family dwelling property managers/owners) are billed monthly in most jurisdictions.

Table 1: Residential Billing Cycle

<u>Member Agency</u>	Billed Dec. 31 (for service in)	Billed March 31 (for service in)	Billed June 30 (for service in)	Billed Sept. 30 (for service in)
San Mateo	Jan.-March	April-June	July-Sept.	Oct.-Dec.
Menlo Park	Jan.-March	April-June	July-Sept.	Oct.-Dec.
Redwood City*	Jan.-March	April-June	July-Sept.	Oct.-Dec.
West Bay Sanitary District	Jan.-March	April-June	July-Sept.	Oct.-Dec.
<u>Member Agency</u>	Billed Jan. 31 (for service in)	Billed April 30 (for service in)	Billed July 31 (for service in)	Billed Oct. 31 (for service in)
Atherton	Feb.-April	May-July	Aug.-Oct.	Nov.-Jan.
Burlingame	Feb.-April	May-July	Aug.-Oct.	Nov.-Jan.
San Carlos	Feb.-April	May-July	Aug.-Oct.	Nov.-Jan.
<u>Member Agency</u>	Billed Feb. 28 (for service in)	Billed May 31 (for service in)	Billed Aug. 31 (for service in)	Billed Nov. 30 (for service in)
Belmont	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.
San Mateo County – Franchised Area	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.
East Palo Alto*	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.
Foster City	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.
Hillsborough	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.
North Fair Oaks*	March-May	June-Aug.	Sept.-Nov.	Dec.-Feb.

**Member Agency billed either directly or through property tax roll. For these customers, Recology only bills residents for extra services such as a second, or more carts. Billing takes place a minimum of two days prior to the last business day of the month.*

- **Covered bill inserts include:**
 - **Annual Bulky Items On-Call Collection Service Notice:** The Annual Bulky Items On-Call Collection Service is provided twice annually to all residential customers upon request, at no additional cost. Customers can schedule a collection between February 1 and December 31 each year. (This service is not provided in January due to collection of holiday trees.) This bill insert is sent to single-family residents once per year, typically in the spring.
 - **Annual Holiday Tree Recycling (1 each for single-family and multi-family households):** Recology is required to collect holiday trees from residential single-family and multi-family dwelling customers annually during the holiday season at no additional cost. Residential customers can simply place their trees out for collection between December 26 and January 31, multi-family dwelling property owners and managers must schedule the service. They can request trees be collected loose in specific locations or request Recology deliver a large drop-box for residents to consolidate trees for collection. This bill insert provides information on the Holiday Tree Recycling program and is sent to both single-family and multi-family residents once per year in the last billing cycle of the year for each Member Agency. This insert will be combined with Annual "Reduce Holiday Packaging" Notice to promote resource conservation using double-sided printing and will also include holiday collection schedule changes.
 - **Annual "Reduce Holiday Packaging" Notice:** Since the holiday season is a unique time of year that generates an enormous amount of packaging waste, this bill insert is designed to provide information on reducing waste during the holidays. This insert is sent to both single-family and multi-family residents once per year in the last billing cycle of the year for each Member Agency. This insert will be combined with the Annual "Holiday Tree Recycling" Notice to promote resource conservation using double-sided printing and will also include the holiday collection schedule changes.
 - **Compost Giveaway and/or Shredding Event Notice(s) (1 each for single-family and multi-family households):** This bill insert promotes both the Recology and RethinkWaste Compost Giveaway programs and is sent to both single-family and multi-family residents twice per year. The Compost Giveaway bill insert can be customized to include Member Agency specific event date(s) or used to promote shred and/or e-scrap collection events.
 - **Commercial Recycling Notice:** The commercial sector continues to contribute approximately two-thirds of the garbage sent to the landfill in the RethinkWaste service area and Recology's commercial recycling diversion rate was approximately 30% in 2017. This notice is sent to commercial customers (including multi-family) twice per year, typically in the spring and fall. The inserts will provide information on the State's mandatory commercial recycling requirements through Assembly Bill (AB) 341 and AB 1826, and commercial (BizSMART) collection program information.
 - **Annual Commercial Recycling Awards Notice:** Currently on hold.

2. Service Notice – Franchise Agreement Section 7.03(J)

This annual Service Notice provides a summary of the scope of services available to all Residential customers. The notice highlights the full range of program guidelines and participation requirements regarding the services provided by Recology, and includes other useful information regarding recycling and proper disposal of household hazardous waste. A utility insert highlighting the key program information will be mailed to residents. A more comprehensive brochure will be available online for those who would like detailed information. Both the utility insert and brochure will be available in English, Spanish and Chinese to reach the widest audience.

The service notice information was last updated in 2015, but were never directly sent to customers. New materials will be developed in 2019 as existing materials have become outdated.

3. Distribution of Materials – Franchise Agreement Section 7.03(E)

Per the Franchise Agreement(s), Recology will continue to disseminate (i.e., mail, deliver door hangers, etc.) outreach collateral pieces and other promotional/educational items provided by RethinkWaste, including the Multi-Family Guide and Buddy Bags, and deskside and other internal containers for recycling and organic materials.

4. Community Events

- **Confidential Document Destruction Service Event – Section 5.07:** RethinkWaste will coordinate the Shred/E-Scrap Community Events for Member Agencies, including the one Confidential Document Destruction Service Event previously provided by Recology under the terms of the Franchise Agreement. Per the Franchise Agreements, Member Agencies are entitled to receive one Shred Event at no additional cost, which can be combined with E-Scrap collection. Member Agencies may also request additional Shred/E-Scrap events. RethinkWaste will bill the Member Agency for any unrecovered costs.

RethinkWaste will also continue to promote events through website and social media postings, posters and electronic flyers for Member Agencies' websites. Member Agencies will receive request forms for the following calendar year to reserve their event(s) after the last event of the current calendar year.

- **Coats for Kids Program – Section 5.10:** Recology will implement its annual Coats for Kids Program in October/November for Member Agencies interested in participating. The program entails drivers collecting coats from residential customers over a one-week period. In addition, collection receptacles for coats will be provided at city halls and community centers over a two-week period, upon request by each Agency. Recology and RethinkWaste will jointly promote the program. These promotional efforts may include: press releases, website and social media postings, print advertisements, posters and electronic flyers. Member Agencies will receive information from Recology in the fall to participate in the program. Recology will track how many coats are collected to help measure the program's success.
- **Compost Giveaway – Section 5.11:** Recology will coordinate all the Compost Giveaway events for Member Agencies. This will include Recology's Bring Your Own Bucket (BYOB) events.

The first Recology scheduled compost BYOB event (per each Member Agency request) will be provided at no additional cost. Additional Compost Giveaway events can be requested by Member Agencies at either the costs prescribed in Attachment Q of the Franchise Agreement for a Recology delivery, or per the backhaul delivery rate charged by South Bay Recycling.

RethinkWaste will continue to promote events through website and social media postings, posters and electronic flyers for Member Agencies' websites. Member Agencies will receive a separate request form to reserve their event(s).

SECTION 2: RETHINKWASTE OUTREACH EFFORTS

This section provides details on RethinkWaste's outreach efforts and responsibilities to promote recycling and diversion related programs and services to residents and businesses in our service area.

RethinkWaste's budget operates on a fiscal year basis; therefore, the efforts detailed in this section cover both adopted FY18/19 budget items and planned items for FY19/20. Items prescribed as RethinkWaste responsibilities per the Recology Franchise Agreements with the Member Agencies have also been noted. Please refer to the Public Education Schedule (**Attachment A**) for a complete timeline of the outreach efforts included in this section.

SECTION 2.1 FRANCHISE AGREEMENT REQUIRED OUTREACH

- **Newsletters – Franchise Agreement Section 7.03(D)(2) (supports residential services)**

On behalf of the Member Agencies per compliance with the Franchise Agreement(s), RethinkWaste will produce and distribute the *Rethinker* newsletter to all single- and multi-family residents two times per year. The *Rethinker* continues to serve as a primary source for public awareness based on anecdotal feedback from residents.

Each year, one edition of the newsletter will be direct mailed to residents and one will be included as a bill insert to further reduce costs. This decision was based on the findings of the Spring 2014 Public Education Survey of Residents, which determined that nearly 58% of surveyed residents preferred receiving it directly in their mail and 22% preferred receiving it in their bills. RethinkWaste will also continue to promote and encourage sign-ups for electronic versions of the newsletter to further reduce costs and promote sustainability.

- **Ongoing Single-Family Residential Outreach (supports residential services)**

RethinkWaste will provide ongoing residential outreach support and maintenance for the existing programs on behalf of the Member Agencies and Recology through avenues such as brochures, flyers, advertisements, website, social media, and community events. These program elements will target RethinkWaste's 95,000 households and 3,000 multi-family accounts that currently exist in our service area. New and unique programs are specified below for calendar years 2019 and 2020:

- **Re-Education and "Recycle Right"** – With the implementation of China's National Sword policy on March 1, 2017 and the resulting dramatic shifts in global commodities markets, there is a critical need to educate residents and businesses about what can and cannot go into the blue recycling cart. In addition, no significant campaign has happened since the launch of the new services provided by Recology in 2011. New and updated outreach collateral will be developed to help residents and businesses re-

familiarize and re-educate themselves with what is accepted in our diversion programs, including printed materials, social media and advertisements.

- **Shoreway facility ownership** - Educate residents about the direct “ownership” stake they have as rate payers to the Shoreway Environmental Center. It is important for residents to understand that the way they choose to dispose of items is directly tied to their bills and how the facility operates. The saying “Don’t throw money away in the garbage” has a literal translation here.
- **Reuse/reduce/refuse** – Much of the traditional outreach conducted in the past focused on the end-of-life of products but thinking more upstream can help residents reduce the need to think twice about how they dispose of something if they don’t have that “something” to dispose of in the first place. This campaign will be utilize enhanced enhancing existing materials from BayROC and may include other partnerships to encourage residents to reuse materials, reduce materials through changing purchasing habits and refusing single-use items.
- **“Beyond the cart” disposal** – With the Bulky Item Collection and Abandoned Waste program hitting near capacity, there is an opportunity to educate residents and business about alternatives to proper disposal, which include the Shoreway Public Recycling Center and Transfer Station.
- **Curbside Household Battery & Cell Phone Recycling (supports residential services)**
Single-family residents can set out used household batteries and old cell phones for recycling curbside through the services provided by Recology. Residents simply place household batteries and cell phones in a clear or orange zip-top plastic bag, which is then placed on the lid of their black garbage cart for collection. This program was relaunched in September 2018 with an initial push in outreach. Promotion will continue on an annual basis including, but not limited to mention in bill inserts, seasonal advertising, newsletter, website and social media.
- **Multi-Family Outreach – Franchise Agreement Section 7.03(D)(3) (supports BizSMART commercial services)**
Per the Franchise Agreements, RethinkWaste is responsible for producing a Multi-Family “Toolkit” for Recology to distribute to property owners and managers and their tenants. Historically, this Toolkit has included posters on the BizSMART program, move-in and move-out flyers, postcards and a property owner’s/manager’s guide, all of which are available in English, Spanish and Chinese. The Toolkit is typically provided to tenants in the recycling Buddy Bags – also provided by RethinkWaste for Recology to deliver.

RethinkWaste will continue to support the multi-family outreach program as prescribed in the Franchise Agreement(s) by producing and adding supplemental materials (as needed) to promote the programs and services available to both property owners/managers and tenants.
- **Commercial Outreach (supports BizSMART commercial services)**
RethinkWaste and Recology have produced various materials for Recology to use as they promote the BizSMART services to businesses in the service area. These have included posters, flyers and

brochures. RethinkWaste will develop supplemental materials to increase diversion and address other issues, as necessary. Sector-specific outreach materials can be developed, including messaging targeting restaurants, retail and office spaces.

- **Overall Measurement (tracking and evaluation)**

For each campaign, tracking and measurement of success will be incorporated. Following each campaign, data collected from regular information provided from Recology and South Bay Recycling will be used to see if there are changes to service levels, disposal numbers, contamination rates, etc. and compared to previous years if available.

Anecdotal information will also be gathered, including, but not limited to direct feedback from residents, businesses and Member Agencies.

The development of surveys and other methods to measure both direct feedback and the degree to which targeted communities are being reached may also be considered in the future.

SECTION 2.2 RETHINKWASTE PROGRAMS & AGENCY OUTREACH

- **RethinkWaste Website**

The RethinkWaste website serves as a one-stop-shop for information on everything – from residential and commercial programs and services, and the Shoreway Environmental Center to the Member Agencies and the Board of Directors. The site was last redesigned in 2013 and is in a need of an update and upgrade. This redesign work is budgeted for FY18/19.

RethinkWaste will improve its website to create a more seamless user experience for all site visitors. All core agency documents will be more readily accessible, including all Board and committee agendas, minutes, contracts, RFPs, RFQs, and other important source documents to create an even higher level of our Agency's public decision making and operational transparency. Website analytics will be used to monitor the website's effectiveness and implement improvements.

- **RethinkWaste Long Range Plan**

RethinkWaste will work on expanding two Long Range Plan pilots, 1) Public Spaces pilot to increase recycling and composting in public spaces (parks, downtown corridors, etc..) and 2) In-School Recycling Pilot to improve waste reduction, recycling and organic performance at schools.

SECTION 2.3 SHOREWAY ENVIRONMENTAL CENTER OUTREACH

- **Tours Programs**

The Tours Program continues to be popular since its launch in January 2012, with over 34,000 visitors having toured the facility through the end of 2018. Facility tours give participants an opportunity to learn firsthand what happens to their recyclables, plant materials, food scraps and garbage at a working materials recovery facility (MRF) and transfer station and give them an opportunity to learn and practice the 4Rs (reduce, reuse, recycle, and rot/composting) – empowering them to conserve resources in their schools, homes, and everyday lives.

School group tours typically occur between September – June. On average, 76 classes of 3rd-5th graders in the RethinkWaste service area receive free busing to the facility each year. Public Tours are also open to the general public every first and third Thursday of the month.

The Tour Program is promoted through emails and e-newsletters, press releases, flyers, RethinkWaste website, social media and environmental education platforms, as well as direct referrals from partner organizations, schools and individual educators.

- **Shoreway Environmental Center Brochures and Flyers**
RethinkWaste will update and develop new brochures and flyers to promote the various programs and services available at the Shoreway facility, including tour program, compost giveaways and general facility information.
- **Community Events**
In collaboration with Recology and South Bay Recycling, RethinkWaste is committed to hosting an annual Earth Day-themed public event in April and a complimentary, environmentally-themed public event in October. Each event will be free to residents and feature facility tours, a compost giveaway, informational booths and other activities to engage visitors to lessen their environmental impact at home and in their community. Earth Day @ Shoreway began in 2012, while the first fall event was held in 2015. These events will be promoted to the community through a variety of methods, including, but not limited to posters, advertisements, social media and press releases.

SECTION 3: CALIFORNIA STATE LAW REQUIREMENTS

This section provides details on the outreach requirements RethinkWaste and Recology collaborate on as mandated by California state law. RethinkWaste's budget includes a section on "Recycling Technical Assistance" to cover the costs on outreach as required by state law.

- **State Assembly Bill 341 – Mandatory Commercial Recycling (supports BizSMART services)**
California Assembly Bill (AB) 341, mandatory commercial recycling, became effective on July 1, 2012 and was put in place to reduce garbage from landfills and related greenhouse gas emissions. The State mandate requires all businesses that generate four or more cubic yards of garbage and multi-family dwellings with five or more units to recycle. Businesses and multi-family complexes are considered in compliance with the law if they participate in the BizSMART commercial recycling program provided by Recology, self-haul the materials or arrange for their pickup by another party.

There are no specific penalties associated with AB 341; however, the responsibility for compliance has been placed on the jurisdictions by CalRecycle, the State's primary solid waste regulatory agency. Jurisdictional compliance is heavily focused on educational requirements monitored through an annual reporting process to the State. To assist the Member Agencies, RethinkWaste has taken on the responsibility for all outreach efforts on AB 341, in collaboration with Recology.

RethinkWaste will develop the template for the required annual mandatory commercial recycling plan for submission by Member Agencies and assist in their review with the State.

- **State Assembly Bill 1826 – Mandatory Commercial Organics Recycling (supports BizSMART services)**

California Assembly Bill (AB) 1826, mandatory commercial organics recycling, became effective on January 1, 2016 requiring jurisdictions to have a commercial organics recycling program in place. The law phases in the requirements on businesses, including multi-family residential dwellings that consist of five or more units, over time based on the amount and type of waste the business produces on a weekly basis, with full implementation realized in 2019. Starting January 2019, the affected businesses include all those that generate four or more cubic yards of solid waste per week. In addition, jurisdictions are required to include information on compliance with this law in their annual report to CalRecycle per AB 939.

Businesses and multi-family complexes are considered in compliance with the law if they participate in the BizSMART commercial organics recycling program provided by Recology, self-haul the materials or arrange for their pickup by another party. Multi-family complexes compliance only requires diversion of landscape materials. There are no direct penalties associated with AB 1826; however, the responsibility for compliance has been placed on the jurisdictions. Jurisdictional compliance is based on businesses subscribing to organic materials collection service or demonstrating their compliance. To assist the Member Agencies, RethinkWaste and Recology has taken on the responsibility for outreach efforts on AB 1826 and will continue to support the Member Agencies in meeting their requirements of the State Mandate.

- **State Senate Bill 1383 – Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reductions**

SB 1383 establishes targets to achieve a 50 percent reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75 percent reduction by 2025. Additionally, there is a requirement for a 20 percent improvement in edible food recovery by 2025. Regulations for SB 1383 are still in development and are expected to be finalized in 2019 following a formal rule-making process. There are expectations that education and outreach will factor significantly into the law's implementation and that RethinkWaste will need to coordinate these efforts. It is expected the CalRecycle will provide guidance on how to implement the law, including education and outreach for organic waste recovery and for edible food recovery. Since regulations have not been finalized at the development of this Plan, there may be changes to the specifics of what outreach on these efforts will look like when they occur, as such, the focus and allocation of outreach funding may shift.

Attachment A

2019 Calendar Year Public Education Master Schedule - Updated 01/10/19													
ITEM	AUDIENCE	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
Multi-Family Outreach & Toolkit (update/reprint/order materials and buddy bags as needed)	MFD												
Commercial Outreach Materials (update/reprint/order materials and internal containers as needed)	Comm. & MFD												
Rethinker newsletters (2 newsletters; one as bill insert & one as direct mail)	SFD & MFD												
Collection Vehicle Signage	SFD												
Social Media	All												
Website	All												
Curbside Household Battery & Cell Phone Recycling	SFD												
Compost Giveaway Notice	SFD & MFD												
Annual Bulky Items On-Call Collection Notice	SFD												
RethinkWaste Annual Report	All												
Twice Annual Commercial Recycling Notice (2)	Commercial												
AB 341 & AB 1826 Outreach	Comm. & MFD												
Coats for Kids	Residential												
Service Notice as Bill Insert	Residential												
Annual Holiday Tree Recycling Notice	SFD & MFD												
Annual "Reduce Holiday Packaging" Notice	SFD & MFD												
Re-Education & "Recycle Right" Campaign	SFD & MFD												
Shoreway Facility Ownership	All	TBD											
Reuse/Reduce/Refuse	SFD & MFD	TBD											
"Beyond the cart" disposal options (beyond BIC)	SFD & MFD	TBD											
LEGEND													
	SFD = Single-family dwelling												
	MFD = Multi-family dwelling												
	Commercial = Business and multi-family												
	Recology Franchise Agreement Requirements												
	RethinkWaste Outreach Program Per Franchise												
	Other RethinkWaste Outreach Programs												

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Julia Au, Recycling Outreach Programs Manager
Date: January 24, 2019 Board of Directors Meeting
Subject: Resolution Approving 2-Year Contract with Environmental and Energy Consulting for Legislative and Regulatory Processes

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-09 attached hereto authorizing the approval of a two-year contract with Environmental and Energy Consulting (EEC) to provide legislative and regulatory lobbying assistance services for the SBWMA. This agreement has a not-to-exceed amount of \$80,000 (or \$40K per FY) for EEC's advocacy services to support the SBWMA's political interests in Sacramento during the full 2019-2020 legislative term. EEC is a registered lobbyist with the State of California.

Summary

To increase the SBWMA's solid waste advocacy and political presence at the California state legislative level and with the Governor's Office, the SBWMA will enter into contract with EEC to represent the Agency for the current 2019-2020 two-year legislative session.

Analysis

The SBWMA has recently sought greater representation and presence in Sacramento due to many new and emerging issues facing the SBWMA and the solid waste industry including, but not limited to:

- Responsible handling and disposal of batteries, propane canisters and other dangerous materials
- Supporting extended producer responsibility (EPR) initiatives
- Supporting source reduction initiatives
- Engaging with worker safety/facility environmental regulations
Supporting market development of domestic composting and recycling processing facilities
- Expanding California-based organics and recycling processing infrastructure and regulations related to SB 1383 (Short-Lived Climate Pollutants).

During each legislative session, many unanticipated other environmental and market issues and initiatives emerge that may also require SBWMA response. By working strategically with EEC; our local legislators; and our many industry partners; the SBWMA will be better positioned to provide prompt, targeted response on these issues as they progress through the legislative process, and the agency's voice will be significantly amplified in the noisy capital ecosystem.

2019 begins the first year of a new two-year California legislative session. In anticipation, the SBWMA joined with another leading multi-jurisdictional joint powers authority, the Alameda County Waste Management Authority (StopWaste), in the issuance of a joint Request for Qualifications (RFQ) for legislative lobbying services in September 2018. This joint effort was due to the two agency's similar missions and aligned stances on most, if not

all, environmental and solid waste issues. Initially, it was envisioned that this joint RFQ process would result in the selection of a single lobbying firm representing both agencies in a highly coordinated fashion., After staff from both agencies interviewed the five top RFP finalists, the SBWMA and StopWaste agreed to select two different advocacy firms, thereby greatly expanding the advocacy sphere of influence in Sacramento in the interests of both agencies. Both advocacy firms selected, EEC (SBWMA) and Shaw Yoder Antwih (StopWaste), also agreed with this strategy and have committed to working in a highly-coordinated, strategic fashion to meet our organizational goals.

The SBWMA entered into an initial one-year agreement with Environmental and Energy Consulting in December 2018 for \$40,000 to 1. Properly onboard the EEC team to our agency priorities (including a facility tour) and 2. ensure that there would be no lag time in representation since the official start for the 2019-2020 legislation session began in December 2018. If approved, this two-year agreement will supersede the initial one-year agreement that was executed in December. You can learn more about EEC at www.caleec.com.

Background

In 2018, the SBWMA hired Debra Kaufmann Consulting (DKC) to track and monitor relevant California state legislation and regulations. While DKC provided the agency with strong legislative tracking support and analysis, , an important gap was identified because DKC is not a registered lobbyist and, therefore, it could not represent the Agency in key meetings and decisions with decision makers and their staffs, as needed. With the support of the SBWMA's Executive Committee (which serves as the agency's Legislative and Regulatory Committee, Staff recommended securing the services of a registered advocacy firm to create critical direct access with legislative decision makers, their staffs, as well as our many industry partners.

Fiscal Impact

The cost of the two-year agreement will not exceed \$80,000. The FY18/19 adopted budget includes Legislative and Regulatory Advocacy for \$30,000 (FY18/19 Budget-Expense Schedule: Line 26).

Attachments:

Resolution 2019-09

Exhibit A – Environmental and Energy Consulting Scope of Work



RESOLUTION NO. 2019-09

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING A 2-YEAR CONTRACT WITH ENVIRONMENTAL AND ENERGY CONSULTING FOR LEGISLATIVE AND REGULATORY PROCESSES

WHEREAS, the SBWMA sought greater representation on legislation and regulatory processes in California; and

WHEREAS, Environmental and Energy (EEC) has the appropriate qualifications and experience with the state legislative and regulatory processes as well as expertise in environmental issues; and

WHEREAS, this agreement will supersede a \$40,000 one-year “starter” agreement that was previously executed in December to expedite EEC’s onboarding to SBWMA legislative priorities as the new 2019-2020 Legislative Session began; and

WHEREAS, attached as Exhibit A is Environmental and Energy Consulting’s scope of work;

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a 2-Year contract with Environmental and Energy Consulting for legislative and regulatory processes.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 24th day of January, 2019, 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. 2019-09 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary



EXHIBIT A SCOPE OF WORK CALIFORNIA LEGISLATIVE AND REGULATORY SERVICES

The Exhibit A includes description of activities Environmental & Energy Consulting (EEC) will undertake to assist RethinkWaste in identifying and engaging in legislation aligned with its goals, including how EEC proposes to complete each task and report to RethinkWaste following completion.

Task 1		
Convene a strategic planning session to understand RethinkWaste's needs, goals, and strategic objectives		
	Activity	Timeline
	EEC will convene meetings with RethinkWaste to conduct a holistic needs assessment and better understand its long-term goals and objectives.	Annually
Task 2		
Determine which legislation is relevant to RethinkWaste and support engagement.		
	Activity	Timeline
	EEC will review all legislation for relevancy to the Agencies' interests and provide RethinkWaste with a report summarizing those of interest.	Annually, and as necessary
	EEC will provide a legislative update and political advice to RethinkWaste at regularly scheduled calls.	Weekly
	EEC will provide consultation on positions RethinkWaste should take regarding legislation.	Weekly
	EEC will provide updates on bills and their amendments to RethinkWaste, including tracking late bill introductions (when legislators gut-and-amend legislation)	Weekly
	EEC will draft letters of support/opposition/comment in advance of their due date for RethinkWaste's review and will incorporate its comments/input accordingly prior to submission.	As needed
	EEC will submit all letters to legislative and agency offices by their due date and provide RethinkWaste with copies of all legislative and agency correspondence for record keeping purposes.	As needed



Task 3 In consultation with RethinkWaste, develop a lobbying strategy for its supported or sponsored legislation.

Activity	Timeline
EEC will provide consultation on engagement strategies regarding legislation.	Weekly
EEC will execute the agreed upon engagement strategies regarding legislation, including meeting with authors' staff and bill sponsors to inform them of RethinkWaste's position, and working with the authors and supporters of supported or sponsored legislation, and will report back the results to RethinkWaste.	As needed
EEC will help RethinkWaste develop policies and implement legislative strategies that support its programmatic objectives.	Annually, and as needed
EEC will identify the appropriate author for sponsored legislation.	Annually
EEC will help RethinkWaste design and draft relevant collateral to support its sponsored or supported legislation.	As needed
EEC will provide further consultation and updates on supported or sponsored legislation.	Weekly

Task 4 In consultation with RethinkWaste, determine if advocacy through the legislative budget process is necessary to support their goals.

Activity	Timeline
As part of the annual strategic planning session, EEC will advise RethinkWaste on whether advocacy through the legislative budget process will support its programmatic objectives.	Annually
If budgetary action is determined necessary, EEC will work with RethinkWaste to develop an engagement strategy through the budget process.	Annually, and as needed
EEC will report on the results of engagement activities performed through the budget process to RethinkWaste.	As needed



Task 5 Help RethinkWaste build relationships with legislators who author bills aligned with adopted priorities and goals.

Activity	Timeline
EEC will identify legislators RethinkWaste should build relationships with that are in key leadership positions, represent RethinkWaste and its customers, and author legislation aligned with its adopted priorities and goals.	Annually, and as needed
EEC will coordinate periodic meetings with legislators and/or staff at RethinkWaste's request and attend those meetings.	As needed
EEC will provide background information on legislative targets to RethinkWaste to facilitate relationships building and provide RethinkWaste with the appropriate talking points.	As needed
EEC will represent RethinkWaste in meetings with legislators and staff to advance RethinkWaste positions on legislation affecting them.	As needed

Task 6 Help RethinkWaste build relationships with key decisionmakers at state agencies and the new administration to support regulatory engagement, including SB 1383 implementation, and funding development.

Activity	Timeline
EEC will identify key decisionmakers at state agencies RethinkWaste should build relationships with as it relates to helping it fulfill its programmatic objectives.	Annually, and as needed
EEC will coordinate periodic meetings with state agency officials and/or staff at RethinkWaste's request and attend those meetings.	As needed
EEC will attend and report to RethinkWaste on all agency regulatory proceedings and hearings relevant to its' interests , including developing and implementing an engagement strategy for CalRecycle's SB 1383 regulations .	As needed
EEC will provide RethinkWaste guidance and support to help it access state funding, if needed for projects or program objectives.	As needed
EEC will identify how to advance RethinkWaste's interests through the new administration's nomination and confirmation process of political appointees.	As needed



EEC
Environmental &
Energy Consulting

Task 7 Provide strategic advice, and engagement on propositions and bond campaigns related to **RethinkWaste's** interests.

Activity

Timeline

EEC will provide RethinkWaste strategic advice on voter initiatives related to the **its'** interests and will support its' **involvement in and influence of propositions.**

As needed



EEC
Environmental &
Energy Consulting

BUDGET

EEC's scope of work will be conducted on an annual retainer basis for a period of two years, not to exceed \$40,000 each year. The total cost will not to exceed \$80,000 for the two years. With this retainer level, **the following tasks will be included in the Agencies' service** package:

- Strategic planning (Task 1)
- Legislative support and political/strategic advice (Tasks 2 and 3)
- Legislative relationship building (Task 5)
- Budget strategy and support (Task 4)
- Program funding support and development, including help accessing grants (Task 6)
- Regulatory engagement, including SB 1383, and agency relationship building (Task 6)
- Campaign management (Task 7)

STAFF REPORT

To: SBWMA Board Members
From: Joe LaMariana, Executive Director
Julia Au, Recycling Outreach Programs Manager
Date: January 24, 2019 Board of Directors Meeting
Subject: 2019-2020 Legislative and Regulatory Platform

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2019-10 attached hereto authorizing the approval of the SBWMA 2019-2020 Legislative and Regulatory Platform.

Summary

Adopting a legislative and regulatory platform of important topics for the SBWMA will enable the Agency to be heard in Sacramento with a loud and preemptive voice, act more swiftly on pressing and emerging legislative and regulatory issues that need prompt action, as well as help the Agency prioritize our legislative resources. The language is purposefully broad enough so that issues of importance that are not currently conceived, which may unexpectedly arise for the Agency and its members during each California legislative session, can still be addressed in a promptly manner. This Platform will cover one California legislative session which covers two calendar years.

Analysis

The proposed 2019-2020 SBWMA Legislative and Regulatory Platform identifies 12 topic areas of importance to the Agency and our member agencies to guide the identification of critically relevant bills and regulatory action that need attention during the legislative session. It should be noted that each year, hundreds of bills are proposed for legislative consideration and many more industry-specific regulations are proposed for statutory implementation; therefore, bill and regulation identification and tracking is a critically important step in the process.

Based on the approved 2019-2020 SBWMA Legislative and Regulatory Platform, the Executive Director and Staff will work with our new legislative lobbyist firm, Environmental and Energy Consulting, and partners to identify a list of industry-specific bills to track and to determine which bills to take a position on, with Board updates expected in June and November annually. To better meet the needs and time of the Board, Staff and our lobbyist firm, the Legislative and Regulatory Platform will be updated every legislative session or every two years.

Background

In 2018, the SBWMA approved Resolution No. 2018-09, the 2018 Legislative and Regulatory Platform. This important guiding document was developed to align with our long-range plan, with the [County of San Mateo's 2018 legislative platform's environmental section \(adopted by the SMC Board of Supervisors on February 13, 2018\)](#)—and future editions (click on Attachment #2-pages 10 to 13), and other relevant documents such as member agency's Climate Action Plans. The Executive Director and Staff worked with our legislative consultant

and many complimentary solid waste industry legislative partners to sufficiently leverage our resources to determine a list of bills to track and which bills to take positions on. Attachment B shows the bills the SBWMA tracked in 2018 and their results. Below are the important organizational partners the SBWMA will continue to work with:

- **The Solid Waste Association of North America's California Legislative Task Force (SWANA)** <http://www.swananorcal.org/>
- **The California Resource Recovery Assn.'s California Policy Committee (CRR)** <http://www.crra.com/>
- **Californians Against Waste (CAW)** <https://www.cawrecycles.org/>
- **California Product Stewardship Council (CPSC)** <https://calpsc.org/>
- **League of California Cities (LCC)** <https://www.cacities.org/>
- **California State Assn. of Counties (CSAC)** <http://www.counties.org/>
- **County of San Mateo-Co. Manager's Legislative Office; Office of Sustainability; Environmental Health**

This year's SBWMA Legislative and Regulatory Platform was developed by Staff in consultation with the Agency's legislative lobbyist Environmental and Energy Consulting.

Fiscal Impact

There is no additional fiscal impact for development of this Legislative and Regulatory Platform.

Attachments:

Resolution 2019-10

Attachment A – 2019-2020 SBWMA Legislative and Regulatory Platform

Attachment B – 2017-2018 Legislative Session – End of Session Status Report



RESOLUTION NO. 2019-10

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE APPROVAL OF THE SBWMA'S 2019-2020 LEGISLATIVE AND REGULATORY PLATFORM

WHEREAS, the SBWMA's adopted mission is to cost effectively design, implement, and manage innovative waste reduction and recycling programs and facility infrastructure that fulfills our responsibilities to our Member Agencies, while achieving community environmental and economic goals.

WHEREAS, the goals of the SBWMA and the environmental quality of life of our Member Agency's community members are strongly served by the establishment of a legislative and regulatory platform of important issues.

WHEREAS, the adoption of a legislative platform gives the SBWMA a strong, preemptive voice in Sacramento on pressing and emerging legislative and regulatory issues and it allows staff to functionally work with agency partners and legislative and regulatory contact to affect change that aligns with Agency goals.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the SBWMA 2019-2020 Legislative and Regulatory Platform.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 24th day of January, 2019, 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. 2019-10 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 24, 2019.

ATTEST:

Jay Benton, Interim Chairperson of SBWMA

Cyndi Urman, Board Secretary



Attachment A

2019-2020 SBWMA Legislative & Regulatory Platform

Executive Summary:

A pre-approved Legislative & Regulatory Platform provides the SBWMA agency with a clear and concise guiding document from which to focus all targeted activities during each Legislative session to achieve agency goals and best represent its interests. With Legislative and Regulatory Board Subcommittee oversight (consisting of the Board Chair and Vice Chair), this platform allows staff to strategically direct agency resources and marshal important external partnerships with nimble, yet highly effective urgency to deliver successful outcomes in the fast-paced and complex Sacramento legislative ecosystem.

These elements below provide the overarching direction for the Board's Legislative and Regulatory Subcommittee and Staff throughout the entire legislative session in the most time expeditious fashion. The Legislative & Regulatory Platform model is a longstanding tool that has been adopted by numerous governmental agencies, including the County of San Mateo, the City/County Association of Governments (C/CAG), most Counties and major cities, transit districts and many special agencies. Upon Board approval and similar to last year's Legislative & Regulatory model, these are the 12 guiding principles that our program will work diligently to advance during this legislative session:

1. Extended Producer Responsibility (EPR)

Extended producer responsibility (EPR) or product stewardship is a strategy that shifts the responsibility for end of life management of a product or package to the manufacturer to finance the end-of-life management costs by incorporating it in the price of a product.

Support laws and regulations that require manufacturers to take responsibility for the end-of-life management of problematic (costly to handle, not easily recyclable, and toxic containing) products and packaging that shift costs away from local governments. Support efforts to improve existing EPR regulations as well as support new EPR efforts for products, including but not limited to, batteries, solar panels and fluorescent lights. Support provisions that make EPR laws effective including minimum collection rates, progressively increasing collection targets and no local preemption clause.

2. Waste Diversion

Support the diversion of recyclables and organics from landfills through implementation of AB 939 (Chapter 809, Statutes of 1989); AB 341 (Chapter 476, Statutes of 2011); AB 1826 (Chapter 727, Statutes of 2014); and SB 1383 (Chapter 395, Statutes of 2016) and support regulations that are practical for local governments to implement. Support new legislative efforts to divert waste away from landfilling and toward recycling, composting and anaerobic digestion to support the state's 75 percent solid waste diversion goal.

3. Recycling and Organics Processing Infrastructure

Support new or additional funding for expanded recycling and organics processing infrastructure which will be needed to fully implement AB 1826 and SB 1383. Support investment in expanded clean composting, anaerobic digestion and recyclable materials manufacturing to support diversion, jobs, greenhouse gas (GHG) reduction and the green economy.

4. Packaging Reduction

Support laws, regulations and programs that provide a consistent approach to phasing out the sale and distribution of products, materials and packaging that cause significant land and ocean litter problems, and that are known to be carcinogenic.

5. Toxics Reduction / Household Hazardous Waste (HHW)

Support legislation that will reduce the amount of toxic chemicals released into our environment and that impact worker health. Oppose legislation that preempts or supersedes local control over household hazardous waste programs or supersedes local product stewardship/EPR ordinances and limits the role of manufacturers and producers in product stewardship programs. Oppose state legislation that weakens local ordinances without an adequately funded alternative.

6. Diversion Funding

Support new or additional funding sources for implementation of Countywide Integrated Waste Management Plan as well as local grants and funding for local government implementation of AB 939; AB 341; AB 1826; SB 1383 and other solid waste and waste diversion related laws that affect local governments. Support funding for CalRecycle to assist in the implementation of these laws and other efforts to divert organic and recyclable waste from landfill.

7. Food Waste Reduction and Recovery

Support legislation to enable additional food rescue and recovery of edible food for human consumption, including expansion of good samaritan laws and support legislation that establishes funding for food recovery programs and develops policies for safe but consistent food date labeling.

8. Market and Economic Development

Support legislation that promotes innovative economic development policies and programs that create green jobs and promote waste reduction. Support programs to improve California's Beverage Container Recycling Program ("Bottle bill"), including the long-term continuation and expansion of this program as well as ensuring Californians have convenient access to recycling centers. Support efforts to improve markets for compost and mulch and for recycled content products, including increasing recycled product purchasing. Support policies that develop new markets for recycled content materials and compost and policies that establish fees and funding streams for large volume or hard to recycle materials such as tires. Support legislation that promotes market development for wood and other construction and demolition materials.

9. Green Purchasing

Support laws to purchase products and services that reduce the impact on human health and the environment through their lifecycle when compared with competing products serving the same purpose.

10. Healthy Soils

Support measures to advance the development and maintenance of healthy soils (which are expected to decline because of climate change) through the use of natural infrastructure. Support measures to

increase use of compost and mulch as appropriate for new and expanded landscapes to improve soil quality and compost socks, blankets and berms as a means of flood and erosion control and soil improvement after fires.

11. Climate Adaption and Mitigation

Support legislation that funds and advances the use of natural vegetation to adapt to flooding, fire, and drought and reduce the impact that urban areas have on the environment. This includes promoting the appropriate use of compost berms, socks and blankets to control soil erosion after fires and to address flooding, as well as the use of native plants and natural landscapes for water conservation. Support measures to expand the use of compost and mulch as ways to improve climate resiliency locally and statewide. Support legislation to reduce organics and recyclables in the landfill as a measure to reduce greenhouse gases.

12. California Green Business Program Funding

Support flexible funding sources, such as Cap and Trade and other funding sources that support local and statewide green business programs that address multiple environmental issues including toxics, energy, water, solid waste, storm water, pollution prevention and transportation.

Attachment B
2017-18 Legislative Session - End of Session Status Report

Location	Measure	Topic	Author	Summary	Position
Dead	AB 444	Home generated sharps	Ting	Develop statewide program for collection, transportation and disposal of home generated sharps	Support
Dead	AB 1036	Compost permitting	McCarty	Streamline air district permitting for compost facilities	Support
Dead	AB 1288	Infrastructure	Eggman	A spot bill to create a statewide funding source for organics infrastructure	Support
Dead as battery bill	AB 1663	Lead Acid Batteries	Garcia	Ensures manufacturer fee is paid on lead acid batteries sold in state from out of state manufacturers	No longer battery bill; no position
Signed by Governor	AB 1884	Plastic straws	Calderon	Prohibits food facility from providing single use straws for eat in customers, unless requested	Support
Signed by Governor	AB 1933	Greenhouse Gas Reduction Fund	Maienschein	Creates \$200 million continuous appropriation for CalRecycle for organic and recycling infrastructure projects	Support
Dead	AB 2021	Junk mail	Steinorth	Creates an opt-out list for junk mail	Support
Dead	AB 2110	Right to Repair Act	Eggman	Require manufacturers of electronics to make diagnostic and repair information and parts available to owners and repair shops.	Support
Dead	AB 2277	sharps and pharma at solid waste	Mathis	This would require the development of regulations to allow solid waste facilities to incinerate home generated pharma waste.	Track
Dead	AB 2379	Plastic microfibers	Bloom	Requires manufacturers of clothing made primarily of polyester to include a warning about shedding and proper washing to minimize microfiber pollution	Support
Dead	AB 2407	Lithium Ion Car Batteries	Ting	Currently a spot bill, would create a taskforce to determine how to implement a lithium ion car battery recycling system.	Support
Signed by Governor	AB 2411	Compost procurement	McCarty	Bill requires CalRecycle with CalTrans to develop best practices to increase use of compost on roadways including for slope stabilization and revegetation after wildfire	Support
Dead	AB 2766	development program	Berman	Reauthorizes successful plastic market development program that funds domestic processing of PET plastics	Support
Dead	AB 2779	Connect the Cap	Calderon	Requires bottle caps to be tethered to bottles to prevent caps from becoming pollution	Support
Vetoed by the Governor	AB 2908	Tire Recycling Incentive Payment	Berman	Increase state tire fee to incentivize tire recycling and support the use of end markets	Support
Dead	AB 2921	Responsibility for polystyrene	Low	Establish an unidentified fee on manufacturers of polystyrene to support grants to local governments	Oppose
Vetoed by the Governor	AB 3178	AB 939 Compliance	Rubio	Softens enforcement and compliance requirements for AB 939 due to current fiber market problem. Allows CalRecycle to consider market conditions in its good faith determination, something CalRecycle can already do.	Oppose
Dead	SB 71	protections	Weiner	Allows for penalties and enforcement for those who violate solid waste franchise provisions	Support
Dead	SB 168	Bottle bill	Wieckowski	Gives CalRecycle authority to update and set new recycled content requirements for beverage containers. Also includes a study on EPR alternatives	Support
Signed by Governor	SB 212	Pharma and sharps EPR	Jackson	Establishes a pharma and sharps product stewardship program; manufacturers would establish a minimum of 5 collection sites per county	Support
Vetoed by the Governor	SB 452	Bottle bill	Glazer	This is expected to be this year's bottle bill reform, necessary to fix problems with the system	Support
Vetoed by the Governor	SB 835	Smoking ban	Glazer	Smoking ban on state parks	Support
Vetoed by the Governor	SB 836	Smoking ban	Glazer	Smoking ban on state beaches	Support
Dead	SB 1142	Recycling Markets	Skinner	Attempts to develop markets in response to China's National Sword Initiative	Support
Signed by Governor	SB 1335	Packaging	Allen	Prohibits food service facilities in state agencies and state facilities from using disposable food service packaging unless the packaging is locally recyclable or compostable	Support
Dead	SB 1445	Hazardous waste	Stone & Calderon	Spot bill	Track

STAFF REPORT

To: SBWMA Board Members
From: Joe LaMariana, Executive Director
John Mangini, Sr. Finance Manager
Date: January 24, 2019 Board of Director's Meeting
Subject: Staff Update on Municipal Advisor Selection and Bond Refunding Process

Recommendation

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

Summary

A Bond Refunding Work Plan was approved by the Board on September 27, 2018. This Work Plan called for the issuance of a Request for Qualification (RFQ) for municipal advisor services to provide assistance in refunding the SBWMA's 2009A Series Bonds to take advantage of current low interest rates and realize significant savings. The principal amount outstanding on these bonds is currently \$44,685,000. The RFQ was issued to nine (9) firms on Friday, November 2, 2018. The SBWMA received six (6) qualified proposals to the RFQ by the November 16, 2018 deadline.

At its November 15, 2018 meeting the Board authorized the Executive Director to execute a contract with the selected municipal advisor in a "not to exceed amount" of \$75,000 based on the Bond Refunding Ad hoc Selection Committee's recommendation. The Ad hoc Selection Committee consisted of John Mangini, SBWMA Senior Finance Manager; Carol Augustine, Finance Committee Member/Burlingame Finance Director; and Thomas Fil, Belmont Finance Director.

The Ad hoc Committee recommended **KNN Public Finance, LLC** (Oakland, CA) as the SBWMA's Municipal Advisor. Based on the successful completion of the aforementioned RFQ, evaluation and selection process, the Executive Director executed an agreement with KNN in the not-to-exceed amount of \$75,000 on December 28th. Staff met with KNN immediately thereafter and a project timeline was established and a listing of project milestones was confirmed.

Analysis

The Ad hoc Selection Committee (Selection Committee) convened on November 29th to perform a detailed review and evaluation of each proposal. The Selection Committee performed a thorough review of proposals and unanimously decided to recommend KNN Public Finance (KNN) as the SBWMA's Municipal Advisor. The Committee's evaluation based on the following criteria:

- Regional Solid Waste industry experience.
- Organizational structure of the proposer.
- Quality of the proposal.
- Presentation/communication skills of the proposer.

KNN provided and demonstrated significant Solid Waste industry experience, including significant experience working with multi-jurisdictional agencies for project approvals. The Committee felt the SBWMA would be best served by a large firm with a solid reputation and a deep bench and KNN meets this criteria. KNN's proposal was well written, detailed to the SBWMA's specific needs and understanding of current challenges facing our industry. The Selection Committee has experience with KNN's communication style and skills and thought this would be important due to the complex nature of SBWMA's Board of elected officials, and their respective elected bodies. KNN proposed a range for their fees from \$65,000 to \$75,000. Due to the need for KNN Directors to attend our 12 Member Agency council meetings, the contract was signed for the not-to-exceed top end of the range at \$75,000. The contract with KNN can be found in **Attachment 1**, along with the full scope of work. KNN's recommended Bond Funding project timeline and milestones listing can be found in **Attachment 2**.

KNN has identified David Brodsky (Sr. Managing Director), Melissa Schick (Director) and Danielle Arruda (Associate) as the primary project team for our agency's 2019 refunding transaction. KNN will assemble a core financing team of technical experts comprised of bond counsel, disclosure counsel and enterprise consultant (if required), and to execute the necessary professional agreements required to prepare the highly detailed set of legal documents necessary to issue refunding bonds for the SBWMA's 2009A Series Bonds. Staff expects to have recommendations for board consideration regarding the selection of bond and disclosure counsel at the February 2019 Board meeting.

KNN will also assist the SBWMA in exploring new money financing options to address the Agency's near term (less than five years) need for capital beyond what this basic refunding transaction can provide to pay off the current bond principal balance. This transaction represents a unique opportunity to possibly fund some, or all of these anticipated CIP programs while mitigating ratepayer impact. The SBWMA Finance Committee will meet in February for a deeper review of these anticipated CIP projects and, if warranted, provide a "Plan of Finance" plan of action. This plan of action may be directly tied to this refunding in the form of increasing the amount financed beyond the current bond principal balance.

Background

In August 2009, the SBWMA issued \$53,500,000 tax-exempt revenue bonds to fund improvements to the Shoreway Environmental Center. \$44,685,000 of the 2009A Bonds principle remains outstanding today. A second Bond (2009B) was also issued for \$3,000,000 in 2009 by the City of Burlingame. The Agency paid this Bond off in full on September 1, 2014.

The 2009A Bonds were acquired by the Agency during a high interest rate period during the Great Recession of 2008. Interest rates on the 2009A Bonds range from 5% to 6.25%. A refunding transaction on these bonds would only occur if the interest rates are significantly favorable when compared to the existing rates, plus the transaction expenses. The 2009A Bonds may not be refunded prior to June 1, 2019 without incurring a penalty. The 2009A Bonds and the related transactional costs would be redeemed with the proceeds of the new 2019 issued Bonds sold after their first optional redemption date, September 1, 2019.

Fiscal Impact

There is no immediate financial or budget impact. The \$75,000 contract cost with KNN Public Finance is contingent on executing the bond sale and will be paid for out of the transactional savings. Municipal Advisor fees are typically rolled into of the bond financing and therefore no initial cash is outlaid.

Attachments:

Attachment A - Signed Contract with KNN Public Finance

Attachment B - KNN's Recommended Bond Refunding: Project Timeline & Milestones Listing



A Public Agency

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement is made and entered into as of the **28th Day of December 2018** by and between the **South Bayside Waste Management Authority** hereinafter "SBWMA", and **KNN Public Finance** hereinafter "Consultant".

RECITALS

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

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

TERMS AND CONDITIONS

1. Services

The services to be performed by Consultant under this Agreement shall be to provide **Municipal Advisor Services for refunding the SBWMA Series 2009A Bonds** as outlined in Exhibit A.

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

2. Term of Agreement

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

3. Compensation

Payment under this Agreement shall be as per Exhibit A, not to exceed **\$75,000.00**. Invoices for payment shall be submitted monthly to SBWMA and shall contain the information shown in Exhibit B hereto.

4. Authorization and Termination

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

5. Reliance of Professional Skill of Consultant

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

6. Relationship to Parties

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

7. Nonassignment

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

8. Amendments

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

9. Validity

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

10. Government Law/Litigation

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

11. Mediation

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

12. Entire Agreement

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

13. Indemnity

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

14. Insurance

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

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

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

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

b. Liability Insurance

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees,

Consultant shall take out and maintain during the life of this Agreement such bodily injury and property damage liability insurance as shall insure the Consultant and SBWMA, its employees, officers and member entities while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims due to consultant's negligence or willful misconduct for property damage which may arise from Consultant's work under this Agreement, whether such work be by Consultant or by any subcontractor or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be One Million and no/100 Dollars (\$1,000,000.00) combined single limit bodily injury and property damage for each occurrence.

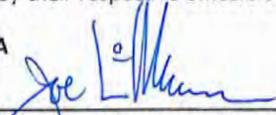
15. Notice

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

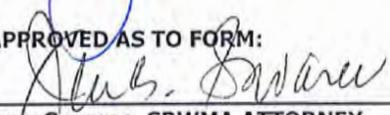
SBWMA: South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 94070
Phone: (650) 802-3500
Fax: (650) 802-3501

Consultant: **KNN Public Finance**
David Brodsky, Managing Director
Melissa Shick, Director
1300 Clary Street Suite 1000
Oakland, CA 94612
Phone: 510-839-8200
Email: mshick@knninc.com or dbrodsky@knninc.com

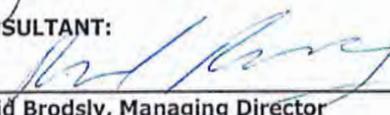
IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized in that behalf.

SBWMA
BY: 
Joe La Mariana, Executive Director, SBWMA

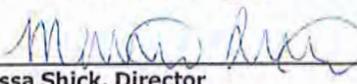
DATED: 1/4/2019

APPROVED AS TO FORM:

Jean Savaree, SBWMA ATTORNEY

DATED: 1/4/2019

CONSULTANT:
BY: 
David Brodsky, Managing Director

DATED: 1/2/2019

BY: 
Melissa Shick, Director

DATED: 12/28/2018

NOTICE TO PROCEED

BY: 

DATED: 1/9/19



Exhibit A Scope of Work

Municipal Advisory Services for the Issuance of Solid Waste Enterprise Revenue Bonds

January 2019 – February 2019: Transaction Planning and Analysis

- Conduct on-boarding meetings with SBWMA senior staff to understand organization and transaction objectives.
- Prepare a transaction timeline and ensure the transaction proceeds under the manner envisioned by the Authority.
- Draft bond and disclosure counsel RFP and distribute to qualified public finance legal firms. Summarize and evaluate bond and disclosure counsel RFP responses with the Authority. Assist in selecting the most qualified legal firm.
- Draft underwriter RFP and distribute to qualified public finance banking firms. Summarize and evaluate underwriter RFP responses with the Authority. Assist in selecting the most qualified underwriting firm.
- Coordinate all transaction activities of financing team members and representatives of the Authority.
- Review Authority rate structure and cash flow model. Update model as may be needed to incorporate the impact of the Refunding Bonds and impact to future tip fees.
- Evaluate cash flow model and other financial results in the context of key rating metrics – debt service coverage; days cash on hand; reserve levels.
- Prepare debt service analysis in a manner that is independent from the underwriter for the proposed Refunding Bonds including analyses under alternative market scenarios.
- Provide Authority staff with training and or regular updates on key issues relating to the proposed bond structure.
- Assist with the development and/or update to debt and operating reserve policies.
- Attend Finance Committee meetings and Board of Directors meetings as needed.

February 2019 – April 2019: Transaction and Document Development

- Plan formal “kick-off” meeting for transaction with legal and underwriting teams in addition to the Authority and KNN.
- Conceptualize the refinements to the legal structure on the Refunding Bonds, as may be needed.
- Help outline updates and addition to the Refunding Bonds disclosure document – taking into account key tables and information that was previously disclosed in the Series 2009A Feasibility Report.
- Assist in review of all financing and legal documents – balancing market requirements and the Authority’s ongoing need for flexibility.
- Assist in ensuring full and complete disclosure in the Authority’s Preliminary Official Statement.

April 2019 – May 2019: Council Approvals and Rating Agency Meetings

- Additional assistance in completion of disclosure documents.
- Draft staff report for the Authority authorization for Refunding Bond transaction.

- Prepare presentation summarizing the offering and its parameters for approval meetings.
- Attend Finance Committee meetings and Board of Directors meetings seeking Refunding Bond transaction approval. Assist Authority in presenting the financing as requested.
- Draft a form of staff report to be used by member agencies.
- Attend Council meetings of member agencies to receive financing approval.
- Coordinate rating agency process – meeting timing, analyst communication, financing documentation distribution.
- Develop rating agency strategy and approach. Prepare rating agency presentation and accompany Authority staff to rating agency meetings.
- Respond to and coordinate follow-up questions from the rating agencies.

May 2019 – June/July 2019: Pricing and Closing

- Monitor tax-exempt market conditions; make recommendations regarding timing of the pricing.
- Prepare credit package for bond insurers. Evaluate potential cost effectiveness of credit enhancement – surety reserve and/or bond insurance.
- Review fees proposed by underwriter(s) to ensure consistency with market comparables and make recommendations about priority of orders.
- Assist with investor outreach to aid pre-sale marketing of the Refunding Bonds.
- Analyze bond structuring features, including bond structure and optional call provisions, in a manner that is independent from the underwriter and looking to protect the interests of the Authority, including provisions that will be attractive to bond market participants and will result in the best bond pricing for the Authority.
- Provide pricing oversight to ensure a transparent process and the best result for the Authority, including the following activities:
 - a) analysis of relevant/recent pricing comparables;
 - b) outreach to non-manager underwriter desks to ensure proposed pricing is consistent with market environment;
 - c) negotiation with the senior underwriter to ensure final pricing yields are consistent will demand for the Refunding Bonds.
- Assist the Authority and the financing team in arranging for the execution of financing documents and in the closing of the financing.
- Provide advice as to the investment of proceeds, and procure an investment advisor if appropriate.
- Prepare a post-sale closing memorandum.
- Provide advice about post issuance compliance requirements (i.e., arbitrage rebate, continuing disclosure, reporting to State Treasurer’s Office, etc.)

EXHIBIT B (Sample Invoice)

Items highlighted yellow must be included on the invoice for approval format of invoice is just a sample

INVOICE

Your Company Name
 Address
 City State Zip
 Phone Number

Date:
 Project Number:
 Invoice Number:

RethinkWaste
 Attn: Project Manager
 610 Elm Street, Suite 202
 San Carlos, CA 94070

SBWMA Project: Project Title Purchase Order Number: PO Number
 Invoice for Professional Services from 1/1/15 to 1/31/15

TASK 1 TITLE/Description

Professional Personnel:	Hours:	Rate:	Amount:
John Doe	1.5	\$200.00	\$300.00
Jane Smith	1.0	\$100.00	\$100.00
TOTALS:	2.0		\$400.00

TOTAL THIS TASK: \$400

TASK 2 TITLE/Description

Professional Personnel:	Hours:	Rate:	Amount:
John Doe	3.0	\$200.00	\$600.00
TOTALS:	3.0		\$600.00

TOTAL THIS TASK: \$600.00

TOTAL THIS INVOICE \$1,000.00

BILLING LIMITS:

Total Contract Amount		\$10,000.00
Prior Invoices	0%	\$0.00
Current Contract Balance	100%	\$10,000.00
This Invoice	10%	\$1,000.00
Contract Balance	90%	\$9,000.00





Date: January 7, 2019

To: Joe LaMariana, Executive Director
John Mangini, Senior Finance Manager
South Bayside Waste Management Authority

From: David Brodsly, Managing Director
Melissa Shick, Director
KNN Public Finance

Re: MSRB Disclosures

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of KNN Public Finance, LLC (“KNN Public Finance”) and its associated persons.

Conflicts of Interest

KNN Public Finance represents that in connection with the issuance of municipal securities, KNN Public Finance may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, KNN Public Finance hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding KNN Public Finance’s ability to provide unbiased advice to enter into such transaction. In our opinion, this potential conflict of interest will not impair KNN Public Finance’s ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

From time to time KNN Public Finance may serve as Municipal Advisor to overlapping jurisdictions within the Authority’s service area. This potential conflict of interest will not impair KNN Public Finance’s ability to render unbiased and competent advice or to fulfill its fiduciary duty.

If KNN Public Finance becomes aware of any additional potential or actual conflict of interest after this disclosure, KNN Public Finance will disclose the detailed information in writing to the Issuer in a timely manner.

Legal or Disciplinary Events

KNN Public Finance, LLC, has never been subject to any legal, disciplinary or regulatory actions nor was it ever subject to any legal, disciplinary or regulatory actions previously, when it was a division of Zions First National Bank or Zions Public Finance, Inc.

A regulatory action disclosure has been made on Form MA-I for one of KNN’s municipal advisory personnel relating to a 1998 U.S. Securities and Exchange Commission (“SEC”) order that was filed while the municipal advisor was employed with a prior firm, (not KNN Public Finance). The details of this action are available in Item 9 C(1), C(2), C(4), C(5) and the corresponding regulatory action DRP section on Form MA and Item 6C (1), (2), (4), (5) and the corresponding regulatory action DRP section on Form MA-I. Issuers may electronically

access KNN Public Finance's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: www.sec.gov/edgar/searchedgar/companysearch.html.

The SEC permits certain items of information required on Form MA and Form MA-I to be provided by reference to such required information already filed on a regulatory system (e.g., FINRA CRD). The above noted regulatory action has been referenced on both Form MA and MA-I due to the information already filed on FINRA's CRD system and is publicly accessible through BrokerCheck at <http://brokercheck.finra.org>. For purposes of accessing such BrokerCheck information, the Municipal Advisor's CRD number is 4457537.

There has been no change to any legal or disciplinary event that has been disclosed on KNN Public Finance's original SEC registration Form MA filed on February 8, 2016 or Form MA-I's filed on January 22, 2016.

Additional Disclosures - MSRB Rule G-10

Pursuant to Municipal Securities Rulemaking Board Rule G-10, on Investor and Municipal Advisory Client Education and Protection, Municipal Advisors are required to provide certain written information to their municipal entity and obligated person clients which include the following:

- a) KNN Public Finance, LLC is currently registered as a Municipal Advisor with the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board.
- b) Within the Municipal Securities Rulemaking Board ("MSRB") website at www.msrb.org, South Bayside Waste Management Authority may obtain the Municipal Advisory client brochure that is posted on the MSRB website. The brochure describes the protections that may be provided by the MSRB Rules along with how to file a complaint with financial regulatory authorities.



South Bayside Waste Management Authority Solid Waste Enterprise Revenue Refunding Bonds, Series 2019

(As of January 3, 2019)

January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

☐ = Holiday

■ = Finance Committee Meeting

■ = Board of Directors Meeting

Date	Activity	Responsibility
Friday, December 28, 2018 at 10:00 AM	Organizational Meeting with SBWMA and KNN	SBWMA/KNN
Tuesday, January 1, 2019	New Year's Day Holiday	
Thursday, January 3	Distribute revised Finance Committee presentation	KNN
	Finalize Finance Committee presentation	SBWMA/KNN
Friday, January 4	- Release Bond and Disclosure Counsel RFP	KNN
	- Release Underwriter RFP	KNN
Thursday, January 10th	Finance Committee Meeting <ul style="list-style-type: none"> Staff/KNN provide overview of Refunding Bond financing and seek approval to proceed with debt offering 	
Monday, January 21st	Martin Luther King Jr. Day Holiday	
Tuesday, January 22	- Bond and Disclosure Counsel RFP Due	BC/DC
	- Underwriter RFP Due	UW
Thursday, January 24	Distribute summary of Counsel and Underwriter RFPs for review	KNN
Thursday, January 24th at 2:00 PM	SBWMA Board of Directors Meeting <ul style="list-style-type: none"> Staff/ KNN provide overview of Refunding Bond financing and seek approval to proceed with debt offering 	SBWMA/KNN

Date	Activity	Responsibility
Monday, January 28	Call to review RFP responses	SBWMA/KNN
Wednesday, January 30	Award/notify financing team – Bond and Disclosure Counsel and Underwriter	SBWMA
Week of February 4th	Kick-off call/meeting with financing team - Discuss Plan of finance, financing documentation, and schedule	All
Friday, February 15	Distribute first draft of bond documents	BC/DC
Monday, February 18th	Presidents Day Holiday	
Week of February 18 th	Call to review first draft of bond documents	All
Week of February 25 th	Distribute second draft of bond documents and first draft of Preliminary Official Statement (“POS”)	BC/DC
Week of March 4 th	Call to review bond documents and POS	All
Thursday, February 28th at 2:00 PM	SBWMA Board of Directors Meeting <ul style="list-style-type: none"> Approval of Bond/Disclosure Counsel contract and Underwriter appointment 	
Week of March 11th	- Distribute second draft of POS - Distribute first draft of Bond Purchase Agreement (BPA)	BC/DC UWC
Week of March 18th	Call to review second draft of POS and first draft of BPA	All
Week of March 25 th	- Distribute updated bond documents, BPA, and third draft POS - Final review of all financing documents	BC/DC/UWC All
Thursday, March 28th at 2:00 PM	SBWMA Board of Directors Meeting (no action anticipated)	
Week of April 1 st	- Distribute updated bond and disclosure documents - Comments due on all documents - Submit Finance Committee agenda packet for financing review	BC/DC All SBWMA
Week of April 8 th	- Begin developing rating agency presentation - Finalize Finance Committee meeting materials	KNN SBWMA/KNN

Date	Activity	Responsibility
Thursday, April 11	Finance Committee Meeting	
	<ul style="list-style-type: none"> Finance Committee meeting to review financing resolution and form of disclosure documents 	
Week of April 15 th	- Distribute first draft of rating agency presentation	KNN
	- Conference call to review rating agency presentation	SBWMA/KNN/UW
	- Submit Board of Directors agenda packet for financing approval	SBWMA
Friday, April 19th	Good Friday (Market Holiday)	
Week of April 22 nd	- Distribute second draft of rating agency presentation	KNN
	- Conference call to review rating agency presentation	SBWMA/KNN/UW
Thursday, April 25th at 2:00 PM	SBWMA Board of Directors Meeting	
	<ul style="list-style-type: none"> Board of Directors meeting to approve financing resolution and form of bond and disclosure documents 	
Week of April 29 th	- Finalize rating agency presentation	SBWMA/KNN/UW
	- Rating agency presentation rehearsal	SBWMA/KN/UW
	- Rating agency meeting(s)	SBWMA/KNN
	- Member agency meetings for financing approval	SBWMA/KNN
Week of May 6 th	Member agency meetings for financing approval	SBWMA/KNN
Week of May 13 th	- Member agency meetings for financing approval	SBWMA/KNN
	- Receive credit rating	SBWMA/KNN
Week of May 20 th	-Underwriter due diligence call and final POS review	All
	-Post POS	BC/DC
Thursday, May 23rd at 2:00 PM	SBWMA Board of Directors Meeting (no action anticipated)	SBWMA/KNN
Monday, May 27	Memorial Day Holiday	
Week of May 27 th	Bond Pricing	
Week of June 3 rd	Final Official Statement circulated, signatures obtained, pre-closing	All
Week of June 10 th	Bond Closing (2-weeks after bond sale)	All

1300 Clay Street, Suite 1000 | Oakland, CA 94612 | Main 510-839-8200 | Fax 510-208-8282
1451 Quail Street, Suite 200 | Newport Beach, CA 92660 | Main 949-346-4900 | Fax 510-208-8282
5901 W. Century Boulevard, Suite 750 | Los Angeles, CA 90045 | Main 310-348-2901 | Fax 510-208-8282

A Limited Liability Company

Date	Activity	Responsibility
Thursday, June 27th at 2:00 PM	SBWMA Board of Directors Meeting <ul style="list-style-type: none"> • Report on refunding results 	SBWMA/KNN

SBWMA = South Bayside Waste Management Authority
 KNN = (Municipal Advisor) KNN Public Finance
 BC/DC = (Bond and Disclosure Counsel) TBD
 UW = (Underwriter) TBD
 UWC = (Underwriter's Counsel) TBD
 All = Working Group

W:\South Bayside Waste Management Authority\Solid Waste Enterprise Rev Ref Bonds.19\Control\SBWMA Financing Schedule.docx

1300 Clay Street, Suite 1000 | Oakland, CA 94612 | Main 510-839-8200 | Fax 510-208-8282
 1451 Quail Street, Suite 200 | Newport Beach, CA 92660 | Main 949-346-4900 | Fax 510-208-8282
 5901 W. Century Boulevard, Suite 750 | Los Angeles, CA 90045 | Main 310-348-2901 | Fax 510-208-8282

A Limited Liability Company