



# ADMINISTRATION AND FINANCE



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Jean Savaree, General Counsel  
**Date:** January 30, 2020 Board of Directors Meeting  
**Subject:** Election of Board Officers for 2020

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### 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 2020.

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, and function as the adhoc legislative review committee. 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. 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:** John Mangini, Senior Finance Manager  
**Date:** January 30, 2020 Board of Directors Meeting  
**Subject:** Resolution Accepting Mid-Year Review of FY19/20 Annual Operating Budget

### Board Action

It is recommended that the SBWMA Board of Directors approve Resolution No. 2020-04 attached hereto authorizing the following action:

Approval of the Mid-Year Budget Adjustments for FY19/20.

### Analysis

Staff has conducted a thorough analysis of year-to-date revenues and expenditures, and has made projections through year-end (June 30<sup>th</sup>). These findings were reviewed and discussed by the SBWMA Finance Committee at its January 14<sup>th</sup> meeting. At the request of the Finance Committee, Staff reviewed the investment income projections, but no change has been made. The Finance Committee also requested the yardage gate rates be converted to tonnage gate rates. **Attachment D** has been provided in response to this request. **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**

FY19/20 NET INCOME				
Categories	FY19/20 Adopted Budget	FY19/20 MidYear Projection	Variance to Adopted Budget	Variance %
Total Revenue	\$55,137,230	\$56,376,132	\$1,238,903	2.2%
Total Expenditures	\$51,538,173	\$51,288,879	(249,293)	-0.5%
<b>Net Income to Reserve</b>	<b>\$3,599,057</b>	<b>\$5,087,253</b>	<b>\$1,488,196</b>	<b>41.3%</b>

Net Income is projected at \$5,087,253 which is \$1,488,196 more than was projected in the Adopted FY19/20 Budget (see **Table 1**).

### Revenues

As shown in **Table 1** and **Table 2** below, there was a Total positive Revenue variance of **\$1,238,903** due to the following:

1. \$1 million revenue increase from San Mateo County grant to support the Organics to Energy Pilot Project.
2. A decrease in projected franchise volume of 2,706 (1%) results in \$335,075 decrease in franchise revenue. All major volumes are projected to be slightly lower than budgeted.
3. Favorable public revenue of \$496,804 mainly driven by projected increases in solid waste and public dirt tons.
4. Favorable interest income of \$380,480 vs. the adopted budget mainly due to projected interest earning on the 2019 Bond Project Fund balance.
5. Net commodity revenue decrease of \$303,726 driven by an unfavorable blended rate projection of \$17.82 per ton vs. the Adopted Budget (\$97.59 vs \$115.41 as budgeted). The rate/ton decrease is due to lower container revenue from the closure of the Buyback Center, and lower paper and cardboard scrap value. The loss in container revenue from the closure of the Buyback Center is offset by the lower buyback payments to customers (see **Table 3** below).
  - a. Included in the \$303K net commodity revenue decrease is a financial impact from an estimated 5 day plant shutdown. The MRF Phase 1 Equipment Improvements Contract (BOD Resolution #2019-54) stipulates a 5 day plant shutdown in March of 2020, which is projected to negatively impact commodity revenue by \$130,000. This impact is mostly offset by projected increase in total recycling tonnage (see the projected Volume Impact of \$30,950 in **Table 3** below)

Table 2

FY19/20 REVENUE				
Revenue	FY19/20 Adopted Budget	FY19/20 MidYear Projection	Variance to Adopted Budget	Variance %
Tip Fee Revenue	\$49,142,560	\$49,304,289	\$161,729	0%
<i>Non Franchised</i>	<i>12,112,251</i>	<i>12,609,055</i>	<i>496,804</i>	<i>4%</i>
<i>Franchised</i>	<i>37,030,309</i>	<i>36,695,234</i>	<i>(335,075)</i>	<i>-1%</i>
Net Commodity Sales Revenue*	5,598,516	5,294,789	(303,726)	-5%
Interest Income	376,994	757,835	380,840	101%
Grant Income		1,000,000	1,000,000	
Other Revenue	19,160	19,219	60	0%
<b>Total Revenue:</b>	<b>55,137,230</b>	<b>56,376,132</b>	<b>1,238,903</b>	<b>2%</b>

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

Table 3

COMMODITY REVENUE				
<i>COMMODITY REVENUE</i>	FY19/20 Adopted Budget	FY19/20 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
Tons Sold	59,249	58,980	(268)	-0.5%
<b>Wtd Avg. Price</b>	<b>\$ 115.41</b>	<b>\$ 97.59</b>	<b>\$ (17.83)</b>	<b>-15.4%</b>
Gross Revenue	\$ 6,838,073	\$ 5,755,713	\$ (1,082,361)	-15.8%
Revenue Share w/ SBR	\$ (395,652)	\$ (297,884)	\$ 97,768	-24.7%
Buyback Payments	(843,906)	(163,039)	\$ 680,867	-80.7%
<b>Net Commodity Revenue</b>	<b>\$ 5,598,516</b>	<b>\$ 5,294,789</b>	<b>\$ (303,726)</b>	<b>-5.4%</b>
<b>Price / Volume Impact</b>	<b>Price</b>	<b>Volume</b>	<b>Total</b>	
Tonnage Change	115.41	(268)	\$ (30,950)	
Price Change	\$ (17.83)	58,980	\$ (1,051,410)	
<b>Total Change (Gross)</b>			<b>\$ (1,082,361)</b>	

### Expenses

Lower than budgeted Expenditures of \$249,293 are primarily due to the following (see Table 4 and Table 5):

1. SBR compensation is lower due to a \$0.41M credit issued by SBR correcting prior years' compensated profit related to the VRS Program. This decrease is partially offset by an increase in projected material volume increasing SBR's projected base compensation. Additionally, the previously-mentioned MRF plant closure is projected to increase operations expense by \$50K.
2. Higher disposal and processing cost of \$0.46 million mainly due to C&D volume increase of 4,726 tons resulting in an increase of \$336,237 in C&D processing cost.
3. The SBWMA Program expense is projected to be 1% lower than in the Adopted Budget.
4. Sewer expense will be \$20K higher than the original projection. Sewer expense is based on water usage.
5. Bond interest expense is expected to be \$0.45M lower than the Adopted Budget. Early bond refunding models were used to project bond interest. The actual refunding results netted significantly less interest expense than predicted in the early refunding models.

Table 4

FY19/20 SBWMA PROGRAM EXPENDITURES				
Expenditures	FY19/20 Adopted Budget	FY19/20 MidYear Projection	Variance to Adopted Budget	Variance %
Administrative Expense	\$2,432,820	\$2,449,532	\$16,712	1%
Member Agency Support & Contract Compliance	\$446,750	\$ 436,750	(\$10,000)	-2%
State Manadated Public Education & Outreach	\$939,500	\$897,000	(\$42,500)	-5%
<b>Total SBWMA Program Expense:</b>	<b>\$3,819,070</b>	<b>\$3,783,282</b>	<b>(\$35,788)</b>	<b>-1%</b>
<b>Shoreway Operations:</b>	<b>\$47,719,103</b>	<b>\$47,505,598</b>	<b>(213,505)</b>	<b>0%</b>
<b>Total Expenses:</b>	<b>\$51,538,173</b>	<b>\$51,288,879</b>	<b>(249,293)</b>	<b>0%</b>

Table 5

FY19/20 SHOREWAY OPERATIONS EXPENSE DETAIL				
Expenditures	FY19/20 Adopted Budget	FY19/20 MidYear Projection	Variance to Adopted Budget	Variance %
SBR Compensation	\$20,941,990	\$20,701,545	(240,445)	-1%
Disposal and Processing	20,026,803	20,485,690	458,887	2%
Property Insurance	999,117	985,459	(13,658)	-1%
Education Center	65,000	65,000	-	0%
Credit Cards Charge	123,610	106,702	(16,908)	-14%
Other Operating Expense	316,036	338,351	22,315	7%
Sewer Charge	70,278	90,426	20,148	29%
Fire Related Expense				0%
<b>Total Shoreway Operations:</b>	<b>\$ 42,542,834</b>	<b>\$ 42,773,172</b>	<b>\$ 230,338</b>	<b>1%</b>
Bond Interest Expense	2,836,101	2,384,556	(451,545)	-16%
Franchise Fee (San Carlos)	2,340,169	2,347,870	7,702	0%
<b>Total Expense</b>	<b>\$ 47,719,103</b>	<b>\$ 47,505,598</b>	<b>\$ (213,505)</b>	<b>0%</b>

### Capital Spending

Projected Capital Spend is projected to be \$8,668,109, which is \$2,128,137 more than the Adopted Budget (see Attachment A, Page 5). The bulk of the increase is from MRF Phase 1 Improvements that have advanced quicker than previously anticipated and are projected to be \$2.1M more than the adopted FY19/20 budget. The adopted budget anticipated half of the \$7.3M project spend in each of FY19/20 and FY20/21. The Storm Water Treatment System was budgeted at \$1.2M. The cost of this (possibly first phase) project was approved by the Board at the November BOD meeting (Resolution 2019-58) at a cost of \$236,500, which is \$963,500 less than the original budget designated to fund the full-scale project. Replacement of optical sort software and hardware was approved by the Board in the amount of \$770,500 (Resolution #2019-54), which is being funded from the Equipment Replacement Reserve (see Table 6, line 9). Transfer Station Tip Floor maintenance was budgeted at \$50,000 and the solid waste permit regulator (the Local Enforcement Agent, or LEA) has determined that immediate repairs are necessary. These repairs are projected to be \$200,000. Due to the recent failure of two critical Leachate pumps that operate in the Transfer Station's big rig tunnel, the Executive Director authorized



their immediate replacement, by utilizing the Agency's Emergency Procurement Provisions per section 3.12.180 of the Agency's Purchasing Policy to prevent site flooding during anticipated wet weather in the immediate future. These pumps have been added \$100,000 to this expense item. MRF Tip Floor maintenance of \$50,000 has been removed.

On July 9, 2019 the Agency refunded its Series 2009A Bonds and issued \$48.8M in outstanding par amount Series 2019 Bonds. The 2019 Bond Issuance include a \$20,000,000 in New Money to fund near term capital needs at the Shoreway Facility. **This budget projects that \$7.0M of the \$8.7M total projected capital spend will be funded from the \$20M Bond Project Fund**, reducing the committed bond reserve to \$13.0M by the close of FY19/20 (see Table 6 below).

Please see **Attachment A** for a worksheet on capital projects.

### Reserve Balances

Table 6 below captures the Mid-Year reserve balance projections for FY19/20 compared to the Adopted Budget reserve balance. The projected Total Reserve unfavorable variance of \$1.282M is primarily due the projected \$2.128M increase in capital spend plus the favorable increase in net income of \$1.488M (Table 1), less \$0.642M in the projected FY18/19 reserve balance.

**Table 6**

FY19/20 BUDGET: RESERVE BALANCES					
	ACTUAL FY17/18	ACTUAL FY18/19	ADOPTED BUDGET FY19/20	MID-YEAR BUDGET FY19/20	Variance
<b>UNCOMMITTED RESERVE:</b>					
RATE STABILIZATON (9% of expense)	\$ 4,764,699	\$ 4,100,000	\$ 4,636,694	\$ 4,615,999	\$ (20,695)
EMERGENCY RESERVE (9% of expense)	4,764,699	4,454,754	4,636,694	4,615,999	(20,695)
Sub-Emergency Reserve (Prop Ins Premium)			113,985	113,985	
<b>CAPITAL RESERVE</b>	<b>5,598,894</b>	<b>4,886,222</b>	<b>7,810,492</b>	<b>8,875,602</b>	<b>1,065,110</b>
UNDESIGNATED RESERVE		1,479,798		-	
<b>TOTAL UNCOMMITTED RESERVES</b>	<b>\$ 15,128,292</b>	<b>\$ 14,920,774</b>	<b>\$ 17,197,866</b>	<b>\$ 18,221,586</b>	<b>\$ 1,023,719</b>
<b>COMMITTED RESERVE</b>					
EQUIPMENT REPLACEMENT (ANNUAL)	\$ 1,192,148	\$ 1,397,514	\$ 1,008,014	\$ 766,789	\$ (241,225)
BOND PROCEEDS			\$ 15,085,028	\$ 13,019,891	\$ (2,065,137)
<b>TOTAL RESERVES</b>	<b>\$ 16,320,440</b>	<b>\$ 16,318,288</b>	<b>\$ 33,290,908</b>	<b>\$ 32,008,265</b>	<b>\$ (1,282,643)</b>
<b>SHOREWAY REMEDIATION PROJECT</b>	<b>\$ 1,233,640</b>	<b>\$ 1,233,640</b>	<b>\$ 1,233,640</b>	<b>\$ 1,233,640</b>	<b>\$ -</b>

### Fiscal Impact

The Mid-Year Budget for FY19/20 shows Net Income of \$5.08 million which is \$1.48 million higher than the Approved FY19/20 Budget.

An additional potential fiscal impact could result from South Bay Recycling's intent to evoke section 7.11(2) of the Operating Agreement for Shoreway Center requesting a compensation Adjustment For Special Circumstances based on their expenses exceeding 2% of those expected. The amount of the potential fiscal impact is unknown

at this writing. See South Bay Recycling's preliminary notice of proposed adjustment for special circumstances in Attachment C.

***Attachments:***

Resolution 2020-XX

Attachment A – FY19/20 Budget Worksheets

Attachment B – Mid-Year Budget Tables

Attachment C – SBR's Facilities Operations Agreement preliminary notice of proposed adjustment for special circumstances

Attachment D – Gate Rate Conversion – Yards to Tons



**RESOLUTION NO. 2020-04**  
**RESOLUTION OF THE SOUTH BAYSIDE WASTE  
MANAGEMENT AUTHORITY BOARD OF DIRECTORS  
ACCEPTING MID-YEAR REVIEW OF FY19/20 ANNUAL OPERATING BUDGET**

WHEREAS, the South Bayside Waste Management Authority proposed budget adjustments as presented provide sufficient funds for normal operations.

NOW THEREFORE, BE IT RESOLVED, the South Bayside Waste Management Authority hereby approves the adjustments to the fiscal year 2019/2020 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 30<sup>th</sup> day of January 2020, 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. 2020-04 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 30, 2020.

ATTEST:

\_\_\_\_\_  
Jay Benton, Chairperson of SBWMA

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

Attachment A - FY19/20 Mid- Year Budget Revenues by Major Source

	REVENUE SUMMARY	ACTUAL FY18/19	ADOPTED BUDGET FY19/20	YTD Earned 11/30/2019	MID-YEAR BUDGET FY 19/20	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
<b>1</b>	<b>ADMINISTRATIVE REVENUE:</b>							
2	INVESTMENT INCOME	\$ 621,287	\$ 376,994	\$ 124,702	\$ 757,835	\$ 380,840	101.0%	Higher balance from bond project fund.
3	<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 621,287</b>	<b>\$ 376,994</b>	<b>\$ 124,702</b>	<b>\$ 757,835</b>	<b>\$ 380,840</b>	<b>101.0%</b>	
<b>4</b>	<b>OPERATIONS REVENUE:</b>							
5	SHOREWAY TIP FEES - Non Franchised	\$ 11,694,389	\$ 12,112,251	\$ 4,572,530	\$ 12,609,055	\$ 496,804	4.1%	Higher projected Solid Waste and C&D volume.
6	SHOREWAY TIP FEES - Franchised	34,710,487	37,030,309	14,961,971	\$ 36,695,234	(335,075)	-0.9%	1% lower volume than projected
7	COMMODITY SALES REVENUE	6,579,151	6,838,073	2,230,866	5,755,713	(1,082,361)	-15.8%	Revenue impacted by lower commodity price and closure of Buyback Center.
8	COMMODITY REVENUE SHARING W/ SBR	(438,837)	(395,652)	-	\$ (297,884)	97,768	-24.7%	
9	BUY BACK CENTER - Payment to Customers	(894,670)	(843,906)	(163,039)	(163,039)	680,867	-80.7%	Projections assume Buyback Center remains closed
10	MISCELLANEOUS REVENUE	28,324	19,160	9,058	19,219	60	0.3%	Mattress Recycling Revenue
<b>11</b>	<b>SUBTOTAL OPERATIONS REVENUE</b>	<b>\$ 51,678,845</b>	<b>\$ 54,760,235</b>	<b>\$ 21,611,386</b>	<b>\$ 54,618,298</b>	<b>\$ (141,938)</b>	<b>-0.3%</b>	
<b>12</b>	<b>TOTAL OPERATING REVENUES</b>	<b>\$ 51,678,845</b>	<b>\$ 54,760,235</b>	<b>\$ 21,611,386</b>	<b>\$ 54,618,298</b>	<b>\$ (141,938)</b>	<b>-0.3%</b>	
13	NON-OPERATING RECEIPTS							
	GRANT REVENUE	\$ 1,020,000			1,000,000			O2E Project CalRecycle grant 2019. County grant 2020.
<b>14</b>	<b>TOTAL REVENUE</b>	<b>\$ 53,320,131</b>	<b>\$ 55,137,230</b>	<b>\$ 21,736,088</b>	<b>\$ 56,376,132</b>	<b>\$ 1,238,903</b>	<b>2.2%</b>	
<b>15</b>	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 49,188,504</b>	<b>\$ 51,538,173</b>	<b>\$ 15,457,284</b>	<b>\$ 51,288,879</b>	<b>\$ (249,293)</b>	<b>-0.5%</b>	
<b>16</b>	<b>NET OPERATING INCOME</b>	<b>\$ 4,131,627</b>	<b>\$ 3,599,057</b>	<b>\$ 6,278,803</b>	<b>\$ 5,087,253</b>	<b>\$ 1,488,196</b>	<b>41.3%</b>	Bond covenants achieved

line	EXPENDITURE SUMMARY	ACTUAL FY18/19	ADOPTED BUDGET FY19/20	YTD SPEND 11/30/2019	MID-YEAR BUDGET FY19/20	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
1	<b>ADMINISTRATIVE EXPENSES</b>							
2	ADMINISTRATIVE STAFF	\$ 644,440	\$ 738,094	\$ 242,975	\$ 764,264	\$ 26,170	3.5%	Refinement of the original budget projections (benefit elections and retirement expense)
3	MANDATED COMPLIANCE SUPPORT STAFF	767,238	\$ 1,010,341	\$ 255,114	983,683	\$ (26,658)	-2.6%	Includes approved part-time Senior Facilities Engineer. BOD Resolution #2019-56. <a href="#">Open Fellow positions to start FY20</a>
4	BOARD COUNSEL	140,587	\$ 90,000	\$ 64,689	120,000	\$ 30,000	33.3%	Support for Executive Director/Agency. <a href="#">More complex contracting &amp; regulation support.</a>
5	BOARD MEETINGS	5,271	\$ 7,000	\$ 357	7,300	\$ 300	4.3%	\$4K for Holiday lunch, and \$2K for refreshments at Board meetings, community room rental fee. <a href="#">Extra study session &amp; holiday</a>
6	ACCOUNTING SERVICES	150,500	\$ 170,059	\$ 12,836	144,759	\$ (25,300)	-14.9%	New City of Redwood City agreement and one-time transition period expenses of approximately \$50K
7	INFORMATION SYSTEMS	29,145	\$ 31,930	\$ 15,176	31,930	\$ -	0.0%	Three year contract to increase by CPI currently 3%
8	WEBSITE	35,186	\$ 40,000	\$ 40,592	42,815	\$ 2,815	7.0%	Website maintenance (\$10k); Overdue Website upgrade--outdated tech platform/improved design (\$30k)
9	ANNUAL AUDIT	6,065	\$ 8,896	\$ 5,175	8,896	\$ -	0.0%	Fees paid to auditors to prepare FY & CY financial statements
10	D&O INSURANCE	48,470	\$ 48,470	\$ 47,030	48,354	\$ (116)	-0.2%	Annual insurance premium for director's and officer's insurance
11	BANK FEES	16,219	\$ 6,271	\$ 3,331	6,271	\$ -	0.0%	Bank fees on checking account and fees paid to BNY as the Bond Trustee
12	RENT	56,102	\$ 58,000	\$ 23,775	62,550	4,550	7.8%	Office rent from San Carlos with 3.5% increase every Jan.1. <a href="#">Space at Chamber of Commerce. Eliminated \$800/month offsite storage on line 68</a>
13	PRINTING AND POSTAGE	226	\$ 300	\$ -	-	\$ (300)	-100.0%	<a href="#">Cost is covered in the Accounting Services Agreement</a>
14	UTILITIES	21,405	\$ 41,480	\$ 6,889	41,480	\$ -	0.0%	Includes phone and janitor services. Office phone system upgrade; current is obsolete.
15	OFFICE/TENANT IMPROVEMENTS	6,426	\$ 30,000	\$ 28,211	32,000	\$ 2,000	6.7%	Build out storage room to accommodate two workstations. <a href="#">Additional office sound suppression</a>
16	OFFICE SUPPLIES	12,724	\$ 19,360	\$ 4,320	19,360	\$ -	0.0%	Office supplies
17	OFFICE EQUIPMENT COSTS	10,106	\$ 11,300	\$ 3,950	11,300	\$ -	0.0%	Base copier lease is \$600/month plus cost per copy
18	PUBLICATIONS & PUBLIC NOTICES		\$ -	\$ -	1,500	\$ 1,500	#DIV/0!	<a href="#">Busing Contract and Transfer Station re-surfacing RFPs</a>
19	PROFESSIONAL DUES & MEMBERSHIPS	2,634	\$ 3,500	\$ 1,122	3,500	\$ -	0.0%	Memberships to trade and community organizations (CRRA, SWMA, NCRA, CCAC )
20	VEHICLE MILEAGE & TOLLS	1,389	\$ 1,320	\$ 387	1,320	\$ -	0.0%	Reimbursement for business use of personal cars (non-auto allowance-eligible employees/fellows).
21	CELL PHONES	1,437	\$ 1,000	\$ 295	1,750	\$ 750	75.0%	Cell phone business expense. <a href="#">Expected increased participation by Management Team.</a>
22	CONFERENCE & MEETINGS	22,351	\$ 18,000	\$ 5,491	18,000	\$ -	0.0%	CRRA conference, progress seminar, SWANA meetings, lunch for SBWMA meetings, State of the City addresses
23	TRAINING	5,016	\$ 7,500	\$ 3,929	\$ 8,500	\$ 1,000	13.3%	Professional development opportunities. CCAC training, etc. <a href="#">Retreat &amp; additional management leadership class.</a>
24	SPONSORSHIPS & DONATIONS	29,000	\$ 35,000	\$ 7,450	35,000	\$ -	0.0%	Industry Sponsorships: CAW,CRRA,SWANA, Acterra, Sustainable San Mateo, CPSC, NCRA
25	LEGISLATIVE & REGULATORY ADVOCACY	25,853	\$ 45,000	\$ 13,333	45,000	\$ -	0.0%	Mandated agency priorities include these initiatives : Extended Producer Responsibility (EPR); Product Stewardship; Source Reduction Initiatives; Lithium-ion Battery safety
26	COMPUTER PURCHASE	11,807	\$ 10,000	\$ 3,000	10,000	\$ -	0.0%	Adobe pro for 2 users, warranties for sonic wall and server computer, replacement PCs
27	<b>TOTAL ADMINISTRATIVE</b>	<b>\$ 2,049,595</b>	<b>\$ 2,432,820</b>	<b>\$ 789,426</b>	<b>\$ 2,449,532</b>	<b>\$ 16,711</b>	<b>0.7%</b>	
28	<b>MEMBER AGENCY SUPPORT &amp; CONTRACT COMPLIANCE</b>							
29	RATE REVIEW	\$ 24,918	\$ 31,520	\$ 2,820	\$ 31,520	\$ -	0.0%	Office temp support, Consultant Rate Application Support. <a href="#">Buyback Center consulting/review of options</a>
30	FACILITY IMPROVEMENT OVERSIGHT		\$ 75,000	35,188	75,000	\$ -	0.0%	Engineering and construction management support
31	CONTRACT ANNUAL AUDITING	\$ 49,820	\$ 51,030	-	51,030	\$ -	0.0%	Annual Financial & Systems Audit of RSMC and SBR by R3 (\$51k).
32	COLLECTION SERVICES FRANCHISE ADMIN.	50,315	\$ 50,000	-	50,000	\$ -	0.0%	FA compliance \$40k; Amendment #1 support (BIC/AW/ storm water) \$50k
33	FINANCE ANALYSIS SUPPORT	92,409	\$ 19,200	11,612	19,200	\$ -	0.0%	On-Call consultant support as needed.
34	RECYCLING TECHNICAL ASSISTANCE	11,843	\$ 90,000	33,127	90,000	\$ -	0.0%	Diversion consultant support; AB1383 planning
35	WASTE CHARACTERIZATION SUPPORT		\$ 60,000	-	50,000	\$ (10,000)	-16.7%	Waste characterization studies to support OREX Pilot Project
36	COLLECTION RFP CONSULTING SUPPORT	100,903	\$ 30,000	-	30,000	\$ -	0.0%	Franchise Agreement technical consulting. Service Level Adjustment calculations, etc.
37	BATTERY MANAGEMENT PLANNING	36,114	\$ 40,000	-	40,000	\$ -	0.0%	Consulting support for best-practices studying & recommend changes to collection programs
38								

line	EXPENDITURE SUMMARY	ACTUAL FY18/19	ADOPTED BUDGET FY19/20	YTD SPEND 11/30/2019	MID-YEAR BUDGET FY19/20	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
39	TOTAL MA SUPPORT & CONTRACT COMPLIANCE	\$ 366,321	\$ 446,750	\$ 82,746	\$ 436,750	\$ (10,000)	-2.2%	
40	STATE MANDATED PUBLIC EDUCATION & OUTREACH							
41	STATE'S REQUIRED ANNUAL REPORTS	\$ 26,864	\$ 32,000	\$ 28,311	\$ 32,000	\$ -	0.0%	Annual AB 939 EAR submittal for 10-MAs. +\$2K for possible Cal Recycle Reporting/Commodities (T+M only). Note: no consultant rate adjustment from 1999-2016.
42	SBWMA ANNUAL REPORT	1,962	\$ 2,500	82	2,500	-	0.0%	Creation of annual report
43	DIVERSION PROGRAM SUPPORT	4,392	\$ 90,000	-	90,000	-	0.0%	Tech Data Capture Systems (\$50k); Public spaces recycling assistance (\$30k); Diversion program support (\$10k)
44	EVENT GIVEAWAYS	4,753	\$ 7,500	4,158	7,500	-	0.0%	
45	LONG RANGE PLAN		\$ -	\$ -	-	-	#DIV/0!	
46	DIVERSION; COMPLIANCE; ZERO LANDFILL PROGRAMS	241,450	\$ 105,000	30,129	90,000	(15,000)	-14.3%	Zero Waste initiatives-tech support (\$55k); Compost events (\$50k)
47	IN-SCHOOL ENVIRONMENTAL EDUCATION		\$ 65,000	7,814	45,000	(20,000)	-30.8%	Materials (\$6K), storage/transport (\$12K), recognition (\$5K), staff/tech support (\$40K). Previously budgeted on line 46.
48	LARGE EVENT & VENUE SUPPORT	11,704	\$ -	-	-	-	#DIV/0!	
49	CLIMATE ACTION PLANNING	16,051	\$ 25,000	-	25,000	-	0.0%	Annual climate register & Member Agency support.
50	RECYCLING TECHNICAL ASSISTANCE	1,324	\$ 85,000	-	85,000	-	0.0%	AB 1826 & AB 341 Compliance (\$10k); SB 1383 compliance and planning (\$35k); Promote reusables for businesses (\$25k); Recycling Technical Assistance (\$15k)
51	COMMERCIAL/MFD CONTAINERS	44,529	\$ 35,000	-	35,000	-	0.0%	MFD recycle bags, internal containers, MA containers per Franchise Agreements
52	MULTI-FAMILY OUTREACH	20,368	\$ 90,000	15,852	90,000	-	0.0%	Compliance with state laws; MFD Toolkit and other outreach; battery bucket supplies
53	MEMBER AGENCY & RATE PAYER EDUCATION	63,020	\$ 110,000	43,463	110,000	-	0.0%	Biannual newsletters to Member Agency residents.
54	RESIDENTIAL OUTREACH PROGRAMS	60,442	\$ 90,000	25,771	90,000	-	0.0%	Outreach per FA, Annual Service Notice FA
55	COMMUNITY EVENTS	22,630	\$ 52,500	9,110	45,000	(7,500)	-14.3%	Earth Day (\$15K), Rethink Recycling Day (\$10K), Fixit Clinics (\$25K), other workshops (\$2.5K)
56	HHW PROGRAM OUTREACH		\$ 30,000	-	30,000	-	0.0%	Annual promotion of local HHW disposal options for all ratepayers
57	CURBSIDE HOUSEHOLD BATTERY OUTREACH	84,463	\$ 90,000	15	90,000	-	0.0%	Educate customers about risk of battery fires and proper disposal options
58	SHRED EVENT SERVICE	(2,882)	\$ 30,000	10,937	30,000	-	0.0%	Shred, e-waste, and compost events for Member Agencies (coordination, support, outreach, etc.) RFP for Shredding Services
59	TOTAL STATE MANDATED PUBLIC EDUCATION & OUTREACH	\$ 601,071	\$ 939,500	\$ 175,643	\$ 897,000	\$ (42,500)	-4.5%	
60	TOTAL SBWMA PROGRAM BUDGET	\$ 3,016,987	\$ 3,819,070	\$ 1,047,814	\$ 3,783,282	\$ (35,789)	-0.9%	
61	SHOREWAY OPERATIONS							
62	OPERATING CONTRACT - SBR OPERATIONS	\$ 21,029,629	\$ 20,941,990	\$ 5,200,319	\$ 20,701,545	(240,445)	-1.1%	Mid-Year includes one time \$410K credit from SBR from prior years, offset by increased volume projections.
63	DISPOSAL	18,817,076	\$ 20,026,803	6,360,234	20,485,690	458,887	2.3%	Increased volume projections from public customers.
64	INSURANCE SHOREWAY	884,827	\$ 999,117	956,241	985,459	(13,658)	-1.4%	Property insurance premium. Large increase in 2018 due to 2016 fire loss.
65	SHOREWAY FACILITY COST	205,145	\$ 200,000	18,419	200,000	-	0.0%	Budget for unanticipated routine Shoreway maintenance items that are non-CapEx
66	CREDIT CARDS CHARGES	77,968	\$ 123,610	22,925	106,702	(16,908)	-13.7%	SBR pass through their credit card fees from their bank from public customers.
67	SHOREWAY CHARGES	26,690	\$ 26,690	7,273	26,690	-	0.0%	Amortization of additional trailer cost added in 2015.
68	EDUCATION CENTER OPERATIONS	61,616	\$ 65,000	6,670	65,000	-	0.0%	Tours program equipment, school bus services, poster and art contests. Eliminate offsite Storage.
69	MAINTENANCE - OX MTN TIPPER		\$ 20,000	-	-	(20,000)	-100.0%	Maintenance expense for truck tipper located at Ox Mtn and owned by JPA. Equipment has been scrapped
70	SHOREWAY MRF EQUIP. MAINTENANCE > \$10k	126,956	\$ 50,000	-	50,000	-	0.0%	Unanticipated MRF equipment maintenance (non-CapEx) expense
71	SEWER FEES (PROPERTY TAX)	70,623	\$ 70,278	46,512	90,426	20,148	28.7%	Actual sewer charge from City of San Carlos on tax bill based on prior year water usage
72	E-RECYCLING	30,364	19,346	25,692	61,661	42,315		E-waste market has shifted from a revenue source to expense. Previously budgeted as revenue
73	SUB SHOREWAY OPERATIONS COST	\$ 41,330,894	\$ 42,542,834	\$ 12,644,284	\$ 42,773,172	\$ 230,338	0.5%	
74	TOTAL SHOREWAY OPERATION	\$ 41,330,894	\$ 42,542,834	\$ 12,644,284	\$ 42,773,172	\$ 230,338	0.5%	

line	EXPENDITURE SUMMARY	ACTUAL FY18/19	ADOPTED BUDGET FY19/20	YTD SPEND 11/30/2019	MID-YEAR BUDGET FY19/20	Variance to Adopted Budget	Variance % to Adopted Budget	Notes
75	TOTAL OPERATING EXPENSES	\$ 44,347,881	\$ 46,361,903	\$ 13,692,098	\$ 46,556,454	\$ 194,549	0.4%	
76	NON-OPERATING EXPENSES							
77	LOSS ON SALE OF PROPERTY							
78	DEBT SERVICE BOND INTEREST	\$ 2,633,833	\$ 2,836,101	\$ 982,274	\$ 2,384,556	(451,545)	-15.9%	Budgeted interest expense based on early bond refunding projections
79	FRANCHISE FEE TO CITY OF SAN CARLOS	2,206,790	2,340,169	782,912	2,347,870	7,702	0.3%	5% Franchise Fees paid by JPA to the City of San Carlos on tip fee revenue.
80	TOTAL NON-OPERATING EXPENSES	\$ 4,840,623	\$ 5,176,269	\$ 1,765,186	\$ 4,732,426	\$ (443,844)	-8.6%	
81	TOTAL SHOREWAY OPERATING EXPENSES	\$ 46,171,517	\$ 47,719,103	\$ 14,409,470	\$ 47,505,598	\$ (213,505)	-0.4%	
82	TOTAL EXPENSES (SBWMA Program + All Shoreway Operations)	\$ 49,188,504	\$ 51,538,173	\$ 15,457,284	\$ 51,288,879	\$ (249,294)	-0.5%	

**FY19/20 BUDGET**

CAPITAL EXPENDITURE BUDGET		Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Description
Line	Capital Project Name	Approved Budget FY19/20	Mid-Year Update FY19/20	Proposed Budget FY20/21	Proposed Budget FY21/22	Proposed Budget FY22/23	Proposed Budget FY22/23	
1	Site paving repairs and restriping <sup>2</sup>	45,000	45,000			1,500,000		Repaving of collection fleet parking area. Planned after fuel tank removal project.
2	Truck shop building maintenance	25,000	25,000	25,000	25,000	25,000	25,000	Place holder for unanticipated capital needs.
3	TS building and tip floor	50,000	200,000	300,000	50,000	50,000	50,000	Tip floor resurfacing needs to be completed
4	MRF building and tip floor	50,000	-	50,000	50,000	100,000	50,000	Not anticipating this work
5	Admin building maintenance	40,000	40,000	40,000	40,000	40,000	40,000	Place holder for unanticipated capital needs.
6	Site maintenance	50,000	50,000	50,000	50,000	50,000	50,000	Place holder for unanticipated capital needs.
7	Leachate Pumps	-	100,000					Failing bunker pumps
8	Replace Optical Sorter Software & Hardware	-	841,500					Equipment (without sales tax) approved by Board (Reso #44). Funded by Equipment Replace Reserve
9	Fire suppression	100,000	100,000	100,000	100,000	100,000		Place holder for unanticipated capital needs. The agency has an interest in implementing new fire prevention technologies but does not have a specific project planned.
10	Repairs to landfill tipper	15,000	-	-	-	-	-	Place holder for unanticipated capital needs.
11	Storm Water Treatment System	1,200,000	236,500	50,000	50,000	50,000	50,000	Compliance new SW regulations require treatment of site storm water prior to release. Board Resolution # 2019-58 approved expenditure of \$236,500.
12	Glass Conveyance & Loadout System							
13	Enhancements to Public Recycling Center	50,000	50,000	-	-	-	-	Need to remove from final FY 19/20 budget. Project budgeted and completed in FY 18/19
14	Shredding to Public Recycling Center			100,000				Agency has interest in providing confidential document shredding services as benefit to residents.
17	<b>CIP Projects (See detail)</b>	<b>4,914,972</b>	<b>6,980,109</b>	<b>10,025,000</b>	<b>13,125,000</b>	<b>2,500,000</b>	<b>-</b>	
18	<b>Total Budget for Capital Projects</b>	<b>6,539,972</b>	<b>8,668,109</b>	<b>10,740,000</b>	<b>13,490,000</b>	<b>4,415,000</b>	<b>265,000</b>	
<b>FUNDING SOURCE</b>								
20	Bond Proceeds (\$20M)	4,914,972	6,980,109	5,025,000	7,994,891	-	-	
21	Capital Reserve	1,625,000	1,688,000	5,715,000	5,495,109	4,415,000	265,000	
22	<b>Total Funding Source</b>	<b>6,539,972</b>	<b>8,668,109</b>	<b>10,740,000</b>	<b>13,490,000</b>	<b>4,415,000</b>	<b>265,000</b>	

(2,128,137)

CIP Project Detail	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	
24 Organics 2 Energy Pilot	1,250,000	1,250,000					Project approved by BOD. Anticipated start date 1/2020.
25 Phase I MRF Upgrades	3,664,972	5,730,109	900,000				BOD Approval resolution numbers 2019-45 and 2019-54
26 Phase II MRF Upgrades			4,125,000	4,125,000			Project to be designed after assessment of Phase I improvements and market conditions
27 Organics 2 Energy Full Project			5,000,000	5,000,000			Project to be designed after assessment of Pilot O2E and market conditions
28 Underground Storage Tank Removal				1,500,000			Existing UST tanks are single wall and need to be removed using Remediation Reserve.
29 New Fueling System Project				2,500,000			System design pending replacement collection fleet fuel decision.
30 New Biogas Fueling System					2,500,000		Same as above. Tied to O2E and planned GHG reduction goals.
31 <b>Total CIP Project Detail</b>	<b>4,914,972</b>	<b>6,980,109</b>	<b>10,025,000</b>	<b>13,125,000</b>	<b>2,500,000</b>	<b>-</b>	



**MY19/20 BUDGET**

Attachment B - MY19/20 Budget Support Files: REVENUE, EXPENSE DETAIL

Update: Dec 2019

Summary Tables

Table B.1

TIP FEE REVENUE				
	FY19/20 Adopted Budget	FY19/20 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
<b>Franchise Revenue</b>				
<b>Tons</b>	298,681	295,975	(2,706)	-0.9%
Wtd Avg. Tip Fee	\$ 123.98	\$ 123.98	0.00	0.0%
<b>Franchise Revenue</b>	<b>\$ 37,030,309</b>	<b>\$ 36,695,234</b>	<b>\$ (335,075)</b>	<b>-0.9%</b>
<b>Public Revenue</b>				
<b>Cu/Yards</b>	207,466	214,237	6,771	3.3%
Wtd Avg. Tip Fee	\$ 42.88	\$ 42.85	(0.03)	-0.1%
<b>Public Revenue Cu/YDS</b>	<b>\$ 8,896,073</b>	<b>\$ 9,180,186</b>	<b>\$ 284,113</b>	<b>3.2%</b>
<b>Tons ( 3rd party - mostly Recology)</b>	18,194	18,311	117	0.6%
Wtd Avg. Tip Fee	\$ 127.07	\$ 127.26	0.20	0.2%
<b>Public Revenue Tons</b>	<b>\$ 2,311,880</b>	<b>\$ 2,330,380</b>	<b>\$ 18,500</b>	<b>0.8%</b>
<b>Public Dirt Tons</b>	8,221	9,986	1,765	21.5%
Wtd Avg. Tip Fee	\$ 110.00	\$ 110.00	-	0.0%
<b>Sub Total</b>	<b>\$ 904,297</b>	<b>\$ 1,098,489</b>	<b>\$ 194,191</b>	<b>21.5%</b>
<b>Public Revenue Total</b>	<b>\$ 12,112,251</b>	<b>\$ 12,609,055</b>	<b>\$ 496,804</b>	<b>4.1%</b>
<b>Total Tip Fee Revenue</b>	<b>\$ 49,142,560</b>	<b>\$ 49,304,289</b>	<b>\$ 161,729</b>	<b>0.3%</b>

**MY19/20 BUDGET**

Table B.2

COMMODITY REVENUE				
COMMODITY REVENUE	FY19/20 Adopted Budget	FY19/20 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
Tons Sold	59,249	58,980	(268)	-0.5%
Wtd Avg. Price	\$ 115.41	\$ 97.59	\$ (17.83)	-15.4%
Gross Revenue	\$ 6,838,073	\$ 5,755,713	\$ (1,082,361)	-15.8%
Revenue Share w/ SBR	\$ (395,652)	\$ (297,884)	\$ 97,768	
Buyback Payments	\$ (843,906)	\$ (163,039)	\$ 680,867	-80.7%
Net Commodity Revenue	\$ 5,598,516	\$ 5,294,789	\$ (303,726)	-5.4%

**MY19/20 BUDGET**

Table B.3

SBR OPERATING EXPENSE					
A. Summary		FY19/20	FY19/20	Mid-Year vs.	
		Adopted Budget	Mid-Year Budget	Adopted Budget	Variance %
	MRF	\$ 7,613,837	\$ 7,178,224	\$ (435,613)	-5.7%
	Transfer Station	5,189,041	5,265,748	\$ 76,707	1.5%
	Transportation	8,098,228	8,216,689	\$ 118,461	1.5%
	Interest	40,885	40,885	\$ -	0.0%
	<b>TOTAL SBR EXPENSE</b>	<b>\$ 20,941,990</b>	<b>\$ 20,701,545</b>	<b>\$ (240,445)</b>	<b>-1.1%</b>
B. SBR Expense Detail		FY19/20	FY19/20	Mid-Year vs.	
		Adopted Budget	Mid-Year Budget	Adopted Budget	Variance %
	<b>MRF</b>				
	Tons, Inbound	72,150	71,790	(359)	-0.5%
	Tons, residue	(12,901)	(12,810)	91	-0.7%
	Tons, net sold	59,249	58,980	(268)	-0.5%
	Wtd Avg. Rate *	\$ 120.02	\$ 113.84	\$ (6.18)	-5.1%
	Expense	\$ 7,110,815	\$ 6,714,273	\$ (396,542)	-5.6%
	<b>MRF Additional Sorters</b>	<b>\$ 503,022</b>	<b>\$ 463,951</b>	<b>\$ (39,071)</b>	<b>-7.8%</b>
	<b>Transfer Station</b>				
	Tons	390,532	396,030	5,498	1.4%
	Wtd Avg. Rate	\$ 13.29	\$ 13.30	\$ 0.01	0.1%
	Expense	\$ 5,189,041	\$ 5,265,748	\$ 76,707	1.5%
	<b>Transportation</b>				
	Tons	390,532	396,030	5,498	1.4%
	Wtd. Avg. Rate	\$ 20.74	\$ 20.75	\$ 0.01	0.1%
	Expense	\$ 8,098,228	\$ 8,216,689	\$ 118,461	1.5%
	<b>Interest</b>	<b>\$ 40,885</b>	<b>\$ 40,885</b>	<b>\$ -</b>	<b>0.0%</b>
	<b>TOTAL SBR "PAID" TONS</b>	<b>840,312</b>	<b>851,040</b>	<b>10,728</b>	<b>1.3%</b>
	<b>TOTAL SBR EXPENSE</b>	<b>\$ 20,941,990</b>	<b>\$ 20,701,545</b>	<b>\$ (240,445)</b>	<b>-1.1%</b>

\* Wtd Avg reduction due to credit issued by SBR correcting prior years compensated profit related to VRS Program

**MY19/20 BUDGET**

Table B.4

DISPOSAL & PROCESSING EXPENSE				
	FY19/20 Adopted Budget	FY19/20 Mid-Year Budget	Mid-Year vs. Adopted Budget	Variance %
<b>A. Summary</b>				
Solid Waste	\$ 10,511,836	\$ 10,609,691	\$ 97,855	0.9%
Organics	\$ 6,280,246	\$ 6,292,011	\$ 11,765	0.2%
C&D, dirt	\$ 3,282,825	\$ 3,619,062	\$ 336,237	10.2%
Other	\$ 443,263	\$ 453,021	\$ 9,758	2.2%
<b>Subtotal</b>	<b>\$ 20,518,170</b>	<b>\$ 20,973,785</b>	<b>\$ 455,615</b>	<b>2.2%</b>
Paid by SBR on MRF residue	\$ (491,368)	\$ (488,096)	\$ 3,272	-0.7%
<b>TOTAL DISPOSAL EXPENSE</b>	<b>\$ 20,026,803</b>	<b>\$ 20,485,690</b>	<b>\$ 458,887</b>	<b>2.3%</b>
<b>B. Detail</b>				
<u>Solid Waste (Ox Mtn.)</u>				
Tons, net	220,793	222,760	1,967	0.9%
Wtd Avg.Rate	\$ 47.61	\$ 47.63	\$ 0.02	0.0%
Expense	<b>\$ 10,511,836</b>	<b>\$ 10,609,691</b>	<b>97,855</b>	<b>0.9%</b>
<u>Organics (Newby, Grover)</u>				
Tons, net	123,864	122,669	(1,195)	-1.0%
Wtd Avg.Rate	\$ 50.70	\$ 51.29	\$ 0.59	1.2%
Expense	<b>\$ 6,280,246</b>	<b>\$ 6,292,011</b>	<b>11,765</b>	<b>0.2%</b>
<u>C&amp;D (Zanker)</u>				
Tons, net	45,874	50,601	4,726	10.3%
Wtd Avg.Rate	\$ 71.56	\$ 71.52	\$ (0.04)	-0.1%
Expense	<b>\$ 3,282,825</b>	<b>\$ 3,619,062</b>	<b>336,237</b>	<b>10.2%</b>
<u>Other</u>				
Tires	\$ 4,022	\$ 5,380	\$ 1,358	33.8%
Appliances	\$ 40,240	\$ 41,120	\$ 880	2.2%
Hazardous Waste	\$ 389,714	\$ 397,788	\$ 8,075	2.1%
Sharps, Misc.	\$ 9,287	\$ 8,733	\$ (555)	-6.0%
Expense	<b>\$ 443,263</b>	<b>\$ 453,021</b>	<b>\$ 9,758</b>	<b>2.2%</b>
<u>Summary</u>				
TS Tons	390,532	396,030	5,498	1.4%
Wtd Avg.Rate	\$ 51.28	\$ 51.73	\$ 0.45	0.9%
Disposal Expense	<b>\$ 20,026,803</b>	<b>\$ 20,485,690</b>	<b>\$ 458,887</b>	<b>2.3%</b>

**MY19/20 BUDGET**

Table B.4a (subset of Disposal Expense - Organics, only, Detail)

<b>ORGANICS PROCESSING EXPENSE DETAIL</b>				
	<b>FY19/20 Adopted Budget</b>	<b>FY19/20 Mid-Year Budget</b>	<b>Mid-Year vs. Adopted Budget</b>	<b>Variance %</b>
<b><u>Organics (Newby)</u></b>				
Tons, net	49,812	52,178	2,366	4.8%
Wtd Avg.Rate	\$ 68.45	\$ 68.45	\$ 0.00	0.0%
Expense	<b>\$ 3,409,645</b>	<b>\$ 3,571,690</b>	<b>162,046</b>	<b>4.8%</b>
<b><u>Organics (Grover)</u></b>				
Tons, net	74,053	70,491	(3,562)	-4.8%
Wtd Avg.Rate	\$ 38.76	\$ 38.59	\$ (0.17)	-0.4%
Expense	<b>\$ 2,870,602</b>	<b>\$ 2,720,321</b>	<b>(150,281)</b>	<b>-5.2%</b>
<b><u>Total Organics</u></b>				
Tons, net	123,864	122,669	(1,195)	-1.0%
Wtd Avg.Rate	\$ 50.70	\$ 51.29	\$ 0.59	1.2%
Total Organics Expense	<b>\$ 6,280,246</b>	<b>\$ 6,292,011</b>	<b>11,765</b>	<b>0.2%</b>



## South Bay Recycling, LLC

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December 18, 2019

Mr. Joe La Mariana  
Executive Director  
South Bayside Waste Management Authority  
610 Elm Street Suite 202  
San Carlos, CA 94070

Re: Facility Operations Agreement preliminary notice of proposed adjustment for special circumstances

Dear Mr. La Mariana;

I wanted to follow up on our conversation last week regarding South Bay Recycling's (SBR's) preliminary notice regarding The Operating Agreement for Shoreway Center (Agreement) section 7.11(2) Adjustment For Special Circumstances.

There are three issues that SBR is requesting a review and adjustment due to changes in operations: Change in Law for National Sword impacting impacting 2019 and 2020 Material Recovery Facility operations; Change in Law for Stormwater discharge impacting compliance and site improvements; and Change in Law for California Air Resources Board (CARB) impacting over the road truck tractors.

During our conversation you mentioned that there is an Executive Board meeting on Tuesday January 7, 2020, and that it would be helpful to have SBR's specific request along with supporting information prior to that meeting. We are taking action accordingly.

Regards,

Daniel J. Domonoske  
Vice President

CC: Mark Arsenault and Mario Puccinelli, Recology; Dwight Herring, SBR; Hilary Gans SBWMA

333 Shoreway Road | San Carlos, California 94070  
Tel 650.802.8355 | Fax 650.412.2495 | SBRecycling.net

MY 19/20 BUDGET

GATE RATE CONVERSION (YARDS to TONS) *			
	Low Range	High Range	Franchise Tonage Rate
<b>Solid Waste</b>	\$ 132	\$ 352	\$ 121
<i>Gate Rate (Yards)</i>	\$ 44	\$ 44	
<i>Yards/Ton Conversion Rate (Yard per Ton)</i>	3.0	8.0	-
<b>Green Waste</b>	\$ 140	\$ 270	\$ 126
<i>Gate Rate (Yards)</i>	\$ 35	\$ 35	
<i>Yards/Ton Conversion Rate (Yard per Ton)</i>	4.0	7.7	-
<b>C&amp;D</b>	\$ 176	\$ 308	\$ 121
<i>Gate Rate (Yards)</i>	\$ 44	\$ 44	
<i>Yards/Ton Conversion Rate (Yard per Ton)</i>	4.0	7.0	

\* Data for high and low ranges from three sources (US EPA April 2016 Volume-to-Weight Report, SBWMA 2018 Self-Haul Material Bulk Density Test and South Bay Recycling's MASS Balance Reports.