



A Public Agency

# CONSENT CALENDAR



**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
September 24, 2020– 2:00 p.m.  
Via Zoom Tele or Video Conference Only**

**Call to Order: 2:01PM**

**1. Call to Order/Roll Call**

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

All Members and public participated by Zoom Video or Conference Call

**2. Public Comment**

Persons wishing to address the Board on matters NOT on the posted agenda may do so. Each speaker is limited to three minutes. If there are more than five individuals wishing to speak during public comment, the Chairman will draw five speaker cards from those submitted to speak during this time. The balance of the Public Comment speakers will be called upon at the end of the Board Meeting. If the item you are speaking on is not listed on the agenda, please be advised that the Board may briefly respond to statements made or questions posed as allowed under The Brown Act (Government Code Section 54954.2). The Board's general policy is to refer items to staff for attention, or have a matter placed on a future Board agenda for a more comprehensive action or report and formal public discussion and input at that time. *Speakers may also submit comments via email prior to the meeting by sending those comments to [rethinker@rethinkwaste.org](mailto:rethinker@rethinkwaste.org)*

No public comments were made.

**3. Adjourn to Closed Session:**

- A. Pursuant to Government Code Section § 54957– Public Employee performance evaluation – Executive Director.
- B. Pursuant to Government Code § 54956.8 – Conference with Real Property Negotiators Property: 225 - 333 Shoreway Road, San Carlos, California 94070 Agency negotiator: Joe La Mariana, Executive Director. Negotiating parties: Recology San Mateo County and South Bayside Waste Management Authority Under negotiation: Price and terms of license

**4. Call to Order/Roll Call (Regular Session)**

**Call to Order: 2:25PM**

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park		X

Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto	X		San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

**5. Public Comment**

None

**6. Executive Director’s Report**

Executive Director La Mariana gave the following updates:

- The Town of Atherton Council voted 4-0 on September 16 to proceed with their plan to exit. The next steps in the process are that Atherton proceeds to each of Member Agencies elected bodies for approval to exit the JPA by December 31. Atherton’s Town Manager has expressed a sense of urgency to do this as soon as possible. Assuming at least 10 of the 12 Member Agencies vote to approve the exit then Atherton would pay the \$2.2M exit costs discussed at the August Board meeting. He noted that staff is working to assist Atherton’s urgent need and has just finalized a model staff report and resolution that has gone to each of the City Managers for placement on Council agendas. Lastly, he noted that all parties intend to have a respectful and professional transition of services.
- There are 3 remaining key meetings in 2020 - (10/6) Finance Committee, (10/15) Joint Board/TAC Study Session, and (11/19) last regular Board meeting of the year. See agenda item 12E for the key agenda item topics at each meeting.
- The City of Palo Alto has issued an RFP for a portion of their mixed waste processing, but the SBWMA is not in a place to respond at this time, but he has asked Palo Alto to keep the SBWMA in mind for any future RFPs for processing, when we have all the operations up and running and history to be able to bid an appropriate cost, but at this time the costs are still unknown.
- On September 25, the entire SBWMA staff will be participating in an implicit bias training to discuss.
- He displayed the award RethinkWaste received at the Solid Waste Association of North America (SWANA) Northern California Chapter- the *2020 Public Agency of the Year Award*. The award was based on industry leadership and excellence in legislative advocacy, providing leading programs and policies, innovative operations, and environmental stewardship.

Executive Director La Mariana then gave a COVID update noting that both Recology and SBR have demonstrated extensive procedure and operating protocols to keep their employees safe. To date there has been one Recology employee positive COVID case and 3 positive cases at SBR. In both cases immediate measures were taken to quarantine. He acknowledged Recology and SBR for their efforts to keep their workforce safe and operations running.

Chair Benton saluted the team on the award of the 2020 Public Agency of the Year award.

Member Rak asked if there was any other action that needs to be taken by the SBWMA Board on the Atherton exit.

Executive Director La Mariana answered that there is no other action required by the SBWMA Board. Atherton needs 10 out of the 12 Member Agencies to vote in favor of their exit, and they have already voted, so once they get 9 additional votes they’ve satisfied that requirement then they pay the exit cost established by the Board in

August and that is the final step.

Member Brownrigg asked for further information about the RFP that was issued that was not bid on.

Executive Director La Mariana noted the RFP was released and then he found out about it through a third party almost at the end of the reply period. As a public agency there is a formal review process, and the due date of the RFP didn't sync up with the opportunity to present it to the Board for consideration. Secondly, the Organics-to-Energy pilot has not been running long enough to have complete confidence in the numbers that the SBWMA would have submitted and then had to live with for the term of the contract. So, after consulting with the Executive Committee the SBWMA did not bid on the project.

Member Brownrigg commented that the Agency needs to think about how to be nimble and how to amortize costs over a larger service area, as a way to protect rate payers. He suggested staff look at process so it's not the system that is holding up the process of proposing in the future.

Chair Benton asked for further information in the written report about subsidy money, that the Agency wouldn't be ready to ask for in time for the grant deadline. And what would need to happen in order to be able to get that subsidy money.

Executive Director La Mariana noted that there is a grant subsidy available to convert a significant part of the Recology fleet to zero emission vehicles which right now is defined as electric vehicles. In this case there is PG&E and some others subsidy funds available, but the waste truck electric vehicle technology isn't there yet, for staff to be able to go through the evaluations process and make recommendations to the Board in order to apply for the subsidy.

Chair Benton reiterated Member Brownrigg's comment about being nimble and not letting the bureaucracy get in the way of being able to take advantage of subsidy money.

## 7. Approval of Consent Calendar

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

- A. Approval of the Minutes from the August 20, 2020 Board of Directors Meeting
- B. Resolution Approving an Updated Conflict of Interest Code
- C. Resolution Approving a Contract Amendment in the amount of \$26,000 with S. Groner Associates for the Battery Outreach & Education
- D. Approval of Quarterly Investment Report for the Quarter ending June 30, 2020

Motion/Second: Brownrigg/Widmer

Roll Call Vote: 11-0-0-1

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

## 8. Administration and Finance

No Items

## 9. Collection and Recycling Program Support and Compliance

### A. Resolution Approving Recology San Mateo County's 2021 Compensation Application

Executive Director La Mariana noted the results of the annual rate survey are attached to the packet at agenda item 12A, and the member agencies' rates are very favorable. He noted that with the step up in the Recology contract in 2021 he expected the member agencies' rates to go up and be closer to the other rates in the attachment, but that the member agencies have been putting money in their rate stabilization funds in preparation for the 2021 step up so should be in good shape.

Staff Mangini gave a PowerPoint presentation noting that in past years the compensation has been based on a CPI adjustment, but this year the compensation is based on the base compensation that is in each member agency's amended and restated franchise agreements. He also noted that the recommended compensation \$65,774,515 is actually \$224,000 less than Recology's compensation application due to the route assessment period used. Originally Recology had used a route assessment period of February/March for the commercial line of business to calculate the service level adjustment, but because this time period was pre-lockdown, staff negotiated with Recology to use a time period of June/July as staff felt it was more representative of the go forward economic conditions.

Executive Director La Mariana noted that 1.3% for the Service Level Adjustment factor is very welcome news, and the increases are extremely close to what staff had projected last year.

Mike Kelly of Recology noted that on September 8, 2020 he sent a letter to Executive Director La Mariana identifying indirect costs currently allocated to Atherton including electricity, phone systems, maintenance, IT costs, mechanics, customer service representatives supervisors, managers etc. These are costs that remain at Recology if Atherton exits. He added that when Recology negotiated the amended and restated agreement the assumption was that 12 member agencies would share in these indirect costs. He also noted that the amount that the remaining agencies would share is approximately \$386,000 or 0.24%-0.54% of the total revenue requirement for the SBWMA. Recology believes that these indirect costs should be reallocated amongst the remaining member agencies.

Counsel Savaree noted she has looked at the contract and she doesn't believe it provides for other members to have contractual responsibility pick up these costs. It was an assumption that there would be 12 member agencies, but the parties went into the agreement knowing that if 8 of the member agencies approved the contract it would be operative. She added that there is no provision in the contract that requires Recology be made whole if one agency defaults or leaves the SBWMA.

The Board discussed the additional \$386,000 in indirect costs identified by Recology due to the Atherton Exit. Member Hurt asked why it was not included in the \$2.2M exit cost that was established at the August meeting.

Executive Director La Mariana explained that the discussion and approval of the costs determined for Atherton to exit on August 20, was identifying and capturing of all of the obligations the Town of Atherton had through December 31, 2020. After the August 20 meeting he was contacted by Recology on these ongoing and going forward costs that Recology had identified. He added that the attorney's office have reviewed the letter that is in the Board packet sent by Recology identifying these indirect costs and have determined that the franchise agreements between Recology and the remaining 11 member agencies don't bear these costs. So, each of the franchise agreements would need to be re-negotiated to reconsider these costs and modify and amend their franchise agreements. Based on that legal opinion it is staff's recommendation not to include the \$386,000 indirect costs in this compensation adjustment approval, so they are not included in the number presented.

Chair Benton asked for confirmation that the SBWMA is not required to allocate this \$386,000 because it is not in each member agency's individual franchise agreement.

Counsel Savaree confirmed that Chair Benton was right, and also responded to Board Member Hurt's question noting that the calculation of all amounts due as part of Atherton's exit was looked about by HF&H Consultants and they didn't identify this as a cost that anybody should be responsible for because the contract doesn't provide for that. When the SBWMA received this letter identifying the \$386,000 in costs from Recology she again looked at the contract provisions, and there is no provision in the contract that would require that any of the Member Agencies pick up this obligation of a departing member.

Member Brownrigg commented that Recology amortizes costs over 12 agencies and now one of those agencies is leaving so it seemed right to him that the remaining 11 agencies shoulder those costs whether or not the contract is written in a different way. He thought Recology's request was reasonable.

Member Mahanoupour asked if the Board would be voting on the \$386,000 that is in dispute today.

Member Widmer commented that this is not a dispute with Atherton, it's a dispute with Recology.

Chair Benton added that it is not being voted on today and has not been included in the compensation adjustment and review staff has prepared.

Member Groom noted that the County staff has been working with SBWMA staff on a disagreement on the CFA charge. And asked if that would be resolved with the County's staff.

Executive Director La Mariana answered that staff is working with the county to get the issue resolved, but that he didn't find out about it until yesterday, so it is not resolved yet.

Member Groom noted she would abstain from the vote.

Chair Benton asked how the approved compensation would change as a result of discussions like this that are still ongoing. He wondered if the board's approval would be only for the total dollar amount and if the allocation to each member agency was still to be determined.

Counsel Savaree answered that the Board is approving the total compensation number that is then allocated out to each member agency based on the formula that is in the franchise agreements.

Counsel Borger clarified that approval of the compensation application is an approval of the total compensation to Recology and each individual member's compensation allocation amount as well. She noted that the approval could be made subject to the adjustment of getting the County's calculation corrected.

Chair Benton asked how Atherton's exit would play into the compensation language.

Staff Mangini noted that there is language in the staff report, but not the resolution itself stating that if Atherton exits the compensation would be reduced to \$64,161,753 without the need for further action by the Board.

Counsel Borger noted that the reduction in Recology's compensation should Atherton exit would happen automatically through the contract.

Member Hurt asked if the TAC recommended the details in the report for approval.

Executive Director La Mariana answered that it was presented as an informational discussion item to the TAC not an approval item, there was no formal action.

Member Hurt asked for further details on the 3<sup>rd</sup> party audit.

Staff Mangini answered that the audit verified the 2019 revenue reconciliation, and they verified all the numbers to make sure that the calculated surplus/shortfall from each member agency is accurate. The numbers verified for accuracy in the audit report include: revenue generated from the member agencies, compensation due to Recology, disposal tip fees charged, and agency fees applied to the revenue that goes back to the member agencies.

Mike Kelly confirmed that the audit teams certify that the systems Recology uses to verify the stats used in the compensation application operate as Recology describes them too.

Member Hurt commented that Belmont has different methodology and calculations so, therefore, table 8 doesn't accurately express what is happening in Belmont, so that by voting yes on this item she would be agreeing that those numbers are correct. This Table 8 notes that Belmont has a shortfall, when they never have. She noted she would abstain from approving the compensation application.

Executive Director noted that he has been in touch with senior staff at Belmont since he found out about the issue yesterday, and assured her that SBWMA staff would work with Belmont staff on a resolution on how the numbers are displayed.

Member Brownrigg commented that he thought it would be impossible to vote on the specific allocation numbers to each member agency given the issues with Belmont and the County and he didn't feel comfortable voting with so much uncertainty. He added he could vote for a gross number subject to a future vote on allocations.

Member Mahahpour, Member Rak and Member Aguirre commented that they felt uncomfortable and asked for further time to review.

Executive Director La Mariana noted that there is a contractual obligation to have this approved by October 1, which ties into the agency's prop 218 notices.

Counsel Savaree noted that the contract does say October 1, but if staff could get the information to address the Board's concerns and reconvene the Board as soon as possible on this issue staff should honor those requests.

Member Rak made a motion to table this to a future meeting.

Member Bonilla seconded the motion.

Roll Call vote:9-0-1-2

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

Chair Benton asked for further board direction to staff on how to manage Recology's request for an additional \$386,000 in costs.

Member Bonilla commented that it gives him pause about considering the exit of Atherton, noting that it is a reason to look closer at the liability to the remaining agencies on an ongoing basis. He did not think it was fair that Recology should be expected to eat the difference.

Member Hurt agreed with Member Bonilla reminding the Board that she voted no on the staff recommended dollar amount for Atherton's exit, with her main concern that all of the costs weren't being covered. So, she was concerned about how to handle this moving forward and who should take responsibility for the very large number.

Member Widmer commented that Atherton made it clear that they were looking into exiting over a year ago, indirect costs can be cut, but they chose to leave them in and bring them up at the last minute. Atherton will get no benefit from the indirect costs noting that asking Atherton to pay for future indirect costs is not going to be well accepted and is not fair.

Chair Benton directed staff and Atherton to think this issue through and come up with a solution.

**10. Shoreway Operations and Contract Management**

**A. Resolution Approving South Bay Recycling's 2021 Compensation Application**

Staff Gans gave an overview of this item noting that all the services and costs in the agreement are on a per ton basis, so SBR's agreement is a more straightforward agreement, if the tonnage goes down the SBWMA isn't obligated to pay for the reduction in tonnage. He noted that there is a 6.2% decrease in compensation year over year - a \$1,219,108 from 2020 - for a total estimated compensation amount in 2021 of \$18,565,479. He added that there are two main reasons for the decrease. One, a passthrough cost of \$846,000 related to the closure of the buyback center, which closed because the CalRecycle California refund value (CRV) program isn't working very well, which caused a lot of buyback centers to close, and in turn drove a lot of traffic to Shoreway and caused unsafe traffic conditions, so the decision was made to close the Buyback center permanently. Two, fuel costs are decreasing by 16% and making a 5% decrease in transportation costs.

Motion/Second: Dehn/Rak

Roll Call Vote: 10-0-0-2

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

**B. Resolution Approving the Use of Shoreway Sewer Line for Discharge of Landfill Leachate by BFI's Ox Mountain Landfill (Half Moon Bay) Facility**

Staff Gans introduced the item, noting that it got pulled from consent at the last meeting and asked to go straight to discussion.

Member Widmer asked if the pipeline is sound, and which party is responsible if the pipeline is not sound.

Staff Gans answered that in the license agreement specifically notes that BFI Republic Services assumes all risk and liability and agrees to indemnify the SBWMA for all costs and damages.

Member Rak noted that the staff reporting mentions a \$10,000 loss, and if that is the case why is the SBWMA absorbing those costs.

Staff Gans answered that the \$10,000 in the staff report is an estimated cost for staff time and other costs they owe to the SBWMA.

Member Hurt asked if this process would bump up allowable emissions.

Staff Gans answered that he didn't think that it would have any impact of the facility's air emission, and the process would fall under Silicon Valley Clean Water's air permit.

Motion/Second: Hurt/Bonilla

Roll Call Vote: 10-0-0-2

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

C. Resolution Approving Transfer Station Tunnel Pump Replacement Project

Staff Gans noted that the staff report is very straightforward on this item. There are large pumps that lift storm water as well as processed water that accumulates in the transfer station tunnels. The tunnels sit below grade and below ground water, so there is also ground water in the tunnel. The pumps lift that water out of the tunnel and into the sewer. The pumps are worn out and need to be replaced before the rainy season.

Motion/Second: Bonilla/Groom

Roll Call Vote: 10-0-0-2

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

D. Discussion on SBR's notice to furlough 5 employees

Member Bonilla gave the highlighted overview of the letter he sent to the Board. He noted that there is mandatory overtime due to short staff and commented that there shouldn't be reductions in staff if there is a need for overtime and recommended stop the overtime and keep the furloughed workers on staff. He also noted that the workers are needed on the floor to keep everyone safe. He noted that more businesses are going to be opening up and tonnage is trending back upward.

Chair Benton reminded the Board that SBR is the employer who has a labor agreement with the union, and this issue is between the union and SBR and he didn't see a role for the Board to play in this decision.

Executive Director La Mariana noted that staff was asked to research the contractual elements of this issue, and based on the language in the operations agreement, and the tons that have dropped over a 6-month period, per section 15.11 of the contract, SBR is contractually entitled to make this decision.

Member Hurt asked how many people have been furloughed since shelter in place.

Dwight Herring of SBR answered that none have been furloughed so far, but tonnage is decreasing year over year and has not recovered to pre-COVID volumes. He added that when he projects the current volume out and averages it out, SBR is under the annual average set forth in the operating agreement.

Member Hurt asked how much savings there would be after furloughing the 5 employees.

Dwight Herring answered about \$700,000 per year.

Member Widmer commented that he went back and looked at SBR's reports and can see that the tonnage actually is decreasing. He noted a time when Member Bonilla pointed out to the Board that it is the Executive Director's decision to make management decisions about the SBWMA, and this is a similar issue regarding a subcontractor. He agreed with chair Benton that this isn't SBWMA business and the Board has no input, it's between SBR and their team and they should just be advising the Executive Director.

Member Rak commented that he was concerned that SBR was making hasty actions given that things seem to be coming back, he understood the Board has no role in this, but he thought it would be better to wait and see if the tonnage increases now that things are opening back up, and he thought it was premature action by SBR.

There were 3 public comments: Robert Sandavol from Teamsters Local 35; Brian Marshall, a 30 year plus employee at Shoreway currently working as a Recology Shop Steward; and Joseph Gomes, a 33-year transfer station employee. All spoke about safety as their main concern regarding the proposed furlough, and the mandatory overtime as a reason not to furlough.

Member Rak asked Dwight Herring to address safety concerns and the mandatory overtime.

Dwight Herring noted that SBR is a 7-day operation, and they count their employees as a full time equivalent. There is overtime on Saturday and Sunday that is posted and employees sign up for it, there isn't typically weekend work in the MRF, but the transfer station does run 7 days a week. Regarding spotters, they are retaining door and gate spotters, and they don't want to compromise on safety. When there were 400,000 tons a year coming into the transfer station there were mid-floor spotters. However currently there has been a 16% reduction in inbound tonnage from the prior year, and there is not a need for some of these positions due to the volume. Obviously, our volume is based on inbound tonnage and with the tonnage being down the revenue is down, so it was a business decision to reduce staffing.

Member Hurt asked that SBR be thoughtful about keeping folks on, and the safety of operations, and she would like to see how SBR can keep these employees on.

Member Bonilla asked SBR to take the concerns raised today by some of the SBWMA Board to the SBR Board and ask them to reconsider. He asked that the Board vote on his suggestion of taking the concerns raised today to the SBR Board.

Counsel Savaree noted that the position of the Board Members who stated one could be shared, but the remainder of the Board has not shared any opinion. So, staff can share the opinion of those Board Members with SBR.

Member Bonilla asked to see a tonnage trend report for further study.

Member Benton commented that he didn't think the SBWMA Board was in a position to tell SBR what to do with respect with how they manage their employees, as long as it's in line with the contract. SBR would just advise the SBWMA on such matters. He added that was not prepared to cross that line and tell SBR how to manage their employees.

Member Aguirre thanked the union members who came forward today and thanked them for their service. She hoped their testimony would give SBR cause to look at the work they do, and the value they bring to RethinkWaste as well as SBR.

Member Bonilla asked Dwight to comment on whether he would bring this back to the SBR board and ask them to review it.

Dwight Herring answered yes, he would review this with his Board and if tonnage increases as businesses come back and they are meeting or exceeding the base set forth in the operating agreement they will take a look to bring staff back. He would report back to the SBWMA through the Executive Director with the SBR board's reaction to these comments.

Chair Benton directed Executive Director La Mariana to share the SBR board's reaction to these comments with the SBWMA Board.

- E. Shoreway Environmental Center Project Update: MRF Phase I, Organics-to-Energy and Storm Water Repairs

This item was tabled to the next Board Meeting.

#### **11. Public Education and Outreach**

- A. Resolution Approving the 2021-2023 Public Education Plan

This item was tabled to the next Board Meeting.

#### **12. Informational Items Only (no action required)**

- A. 2019 Rate Survey Data
- B. 2020 Legislative Session Update
- C. 2020 Finance and Rate Setting Calendar
- D. Check Register Detail for July and August 2020
- E. Potential Future Board Agenda Items

#### **13. Board Member Comments**

Chair Benton noted that this would likely lead to an additional special meeting before the November Board Meeting.

#### **14. Adjourn 4:32PM**

**DRAFT MINUTES**

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
SPECIAL MEETING OF THE BOARD OF DIRECTORS & BOARD/TAC STUDY SESSION  
OCTOBER 15, 2020– 2:00 p.m.  
Via Zoom Tele or Video Conference Only

Call to Order: 2:00PM

1. Call to Order/Roll Call

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

All Members and public participated by Zoom Video or Conference Call

2. Public Comment

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Member Bonilla commented that at the last meeting there was a discussion about the reduction of work force at SBR. He noted that the letter Executive Director La Mariana received from SBR had stated the layoff date was going to be Sunday, September 27. The Board meeting was on Thursday September 24, and the next day on September 25 the layoffs occurred. At the meeting Mr. Herring agreed that he would talk to his board about the layoffs but given the timing Member Bonilla didn't know if that had happened. Executive Director La Mariana responded that the SBR Board had met on Thursday night after the SBWMA Board meeting and gave Mr. Herring direction and the results of that direction happened on Friday morning.

3. Executive Director's Report

Executive Director La Mariana welcomed all to the meeting and gave the following updates.

- Last Tuesday, each of the 10 cities with support from staff and our outside technical consultant submitted their Cal Recycle Electronic Annual Reports (EARs).
- Virtual tours of Shoreway have begun which are partially live and partially pre-recorded, and the same virtual learning is also happening for the in-schools program. He congratulated staff Hashizume and her team on getting these virtual programs up and running.

- The SBWMA's 2020 Rethink Recycling Days will be taking place virtually on November 7 and November 14, as well as the poster contest, and he invited member agencies to help get the word out about these virtual events.
- The Town of Atherton's JPA exit request has now been approved by the West Bay Sanitary District, so they need 8 more member agencies to vote yes on their exit.
- He reminded Board members that in November the Board meeting will be on November 19 (the third Thursday), and that it will be the final Board Meeting of the year. He added that it will be a packed agenda and asked board members to allot two and half hours to get through the agenda (2-4:30pm).

#### 4. Consent Calendar

No Items

#### 5. Collection and Recycling Program Support and Compliance

- A. Resolution Approving SBWMA Amended Final Report Reviewing the 2021 Recology San Mateo County Compensation Application (Continued from September 24, 2020 Meeting)

Executive Director La Mariana noted that were 3 items called out at the September Board meeting that staff was directed to get resolution on before this item was brought back to the board for consideration of approval. Those items are:

- 1) The County of San Mateo identified two accounts that were mis-applied to their ledger but should have been assigned to the cities in which the parks are. These are the Cities of Menlo Park and San Mateo. After meetings with all three member agencies and Recology, we've gained consensus and addressed this issue. Board Member Groom noted that County staff is satisfied with the resolution. TAC Chair Murray from San Mateo noted that they are also satisfied. Executive Director La Mariana also confirmed he received additional approval from TAC member Lucky that this outcome was satisfactory to the City of Menlo Park.
- 2) Board Member Hurt expressed concerns about the way the City of Belmont's revenue requirement was displayed in table 8. He noted that Belmont does calculate their rates differently per article 11 of their franchise agreement than the rest of the member agencies, which was leading to the concern. He added that staff John Mangini had worked hard with Belmont staff to get satisfaction on their part, while honoring the integrity of the financial reporting system. Member Hurt thanked staff and noted the Belmont is satisfied with the results and she feels able to tell her rate payers exactly what the number is, with accountability and integrity. TAC Member Brown requested that the maker of the motion change the last two numbers in Belmont's column in table 8 from 89 to 98, then the table would be correct.
- 3) The third item is the \$386K/year of indirect costs that Recology identified as costs that they would incur after January 1, 2021 and beyond related to the Town of Atherton's exit. Mike Kelly, General Manager of Recology San Mateo County, noted on behalf of the employee owners of Recology San Mateo County, that they appreciate the opportunity to continue the partnership and providing service to the customers of the SBWMA service area, and they look forward to servicing those customers for the next 15 years and beyond. Executive Director La Mariana added that it is staff's recommendation to deny this request, based on the provision that there is no contractual language in the franchise agreement to allow these costs to be allocated back out amongst the remaining 11 member agencies.

Chair Benton clarified that the compensation application's total that the Board is being asked to approve today is the same as last month, except for several small changes amongst the member agencies on the reassigned accounts. These minor adjustments do not include any additional compensation to Recology. Executive Director La Mariana confirmed that the total dollar amount is the same, but a total of about \$8,000 has been moved between the County of San Mateo, Menlo Park, and the City of San Mateo due to the reassignment of two accounts.

Member Bonilla commented that he is in favor of approving the 2021 compensation application but has some concerns about the operating costs and asked staff to bring the operating costs back for discussion at the Board level.

Member Rak agreed and asked staff to bring an operating expense discussion back to the Board.

Member Brownrigg made a motion to approve the staff recommendation and the rates as called out and amended to reflect the \$9 difference in the Belmont number. He added that it is always healthy to look at the underlying operation expenses and asked staff to help the Board dig into that in the next budget cycle.

Member Hurt seconded the motion

Roll Call Vote:10-0-0-2

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

Chair Benton commented that he appreciated the position Recology took today on the matter.

**6. Adjourn Special Board Meeting 2:25PM**

**7. Roll Call – Board/TAC Study Session**

CTO: 2:25PM

Roll Call Board:

Agency	Present	Absent	Agency	Present	Absent
Atherton	X	4:11PM	Menlo Park		X
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	3:46PM
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X		West Bay Sanitary District	X	

Roll Call TAC:

Agency	Present	Absent	Agency	Present	Absent
Atherton	X		Menlo Park	X	3:30PM
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	
East Palo Alto		X	San Mateo	X	
Foster City	X		County of San Mateo	X	

Hillsborough	X		West Bay Sanitary District	X	
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**8. SB 1383 Compliance Planning Update**

Presentations by CalRecycle and HF&H Consulting

Executive Director La Mariana introduced the item and gave background and overview for the discussion. He noted that it permeates every aspect of the solid waste industry and is meant to target reducing organic material going into landfills. He then introduced Cara Morgan, Branch Chief and Senior Marketing Officer for the State's Solid Waste Program compliance/enforcement agency, Cal Recycle. Tracy Swanborn of HF&H Consultants will follow with a presentation about the SBWMA specifics to comply with the law, and then a question and answer period.

Cara Morgan gave a PowerPoint presentation overviewing SB1383 and noted that last Friday the final regulations were submitted to the office of administrative law and that approval was expected within 30 days.

Tracy Swanborn of HFH Consultants gave a presentation overviewing the SBWMA preliminary compliance plan including the timeline for SBWMA compliance, SBWMA compliance approach plan and the Agency and member agencies' next steps.

Executive Director La Mariana noted that HF&H's assignment was to prepare a gap analysis of the Agency's current capabilities versus what the law requires and identify the gaps in the form of a high-level action plan. He also noted that it currently doesn't make sense to run the Organics-to-Energy (O2E) pilot project because the tons needed as feedstock for the pilot have dried up due to the COVID shut down. Staff still strongly believes in the project and is working on some technical alternatives (the Organics-to-Energy (O2E) pilot project) that will hopefully be able to take place in late fall and act as proof of concept. He also added that the SBWMA is working in a very collaborative effort with the County on edible food recovery to be in compliance with the law.

Cara Morgan commented it's currently hard to know what the costs are going to be without any implementation history, but it's no question that this law is a big lift for all jurisdictions. She appreciates all the work that the SBWMA is putting into the planning and preparing.

TAC Member Murray asked if option 2 and the O2E are working why would enforcement be necessary.

Tracy Swanborn answered that member agencies will still need to enforce single family customers to make sure they are properly participating and separating their materials, ensure that multi-family complexes all have the two containers and are properly separating, and enforce the edible food generators and food recovery organizations. So, option 2 and the O2E will make it easier, but there is still going to need to be an enforcement component to the program.

TAC Member Tong wondered if since Peninsula Clean Energy (PCE) is in San Mateo County, and is procuring electricity from renewable sources of biogas, if that could be an energy mix that could help with SB1383 compliance.

Tracy Swanborn answered that HFH didn't explore those as part of the compliance plan, but it could be something that is viable. She noted that the regulations require some very specific criteria about the source of the renewable gas it has to come from the digestion of organic waste, so the source is key to having it qualify.

Staff Southworth commented that our Agency would like to link the electricity consumed by the zero emission vehicles in the fleet with the organics being processed on site, but thought that staff would need to create their own way of accountability for the energy produced by the organic waste.

Member Bonilla asked staff and Cal Recycle to look into this possibility further with PCE, noting he was a Board Member for PCE as well and thought that energy created by the O2E project could be directly consumed by the Recology Fleet.

Cara Morgan answered that the SBWMA should strategize with the Cal Recycle procurement team and dig in deeper on SBWMA specifics. She added that they are getting close to completing their calculator tool and offered that the SBWMA could be one of their first testers that would allow the SBWMA to look at the numbers and work out more specifically costs, and which compliance direction to go in.

TAC Member Rodericks asked how food generators would be defined, wondering if food trucks and cafeterias at schools would be included.

Tracy Swanborn answered that the regulations define large generators in 2 categories. Tier 1 generators that have to comply starting January 1, 2022 includes supermarkets, grocery stores and wholesale food distributors, and tier 2 generators which have to comply starting January 1, 2024 includes restaurants with 250 seats or 5,000 square feet, hotels and health facilities that have their own food service, and event venues.

Cara Morgan answered that public schools are considered a local education agency and therefore the local agency only has to provide education and outreach, the education agency has to establish the edible food recovery program. She did note that private schools would be regulated by the local agency, but size wise would likely not be subject to the edible food recovery requirements.

Chair Benton asked if Cal Recycle would be working with the large chain grocery stores at the corporate office on compliance.

Cara Morgan answered yes, they have been a part of the regulatory process and their associations are helping get outreach to their membership.

Member Hurt asked if there was any talk regarding editing the timeline or offering fiscal support given the pandemic and public agencies are very strapped.

Cara Morgan answered that Cal Recycle understands what jurisdictions, residents and business are going through at this time, but unless there is a statutory change the overall timelines will not change. However, Cal Recycle has flexibility in enforcement action, and does not have to take enforcement on a jurisdiction that is not fully compliant. So, in August Cal Recycle released compliance guidelines noting that they would look at the totality of a jurisdiction's situation. She added that the law allows for additional time if there is an initial corrective action plan that could allow for an additional two and a half years before implementation. Additionally, if there are jurisdictions having issues with their infrastructure like the O2E project not having material to run, that could allow an additional 12 months. So, there is potentially a three- and half-year window before corrective action would occur. She added that Cal Recycle is about compliance assistance first, and corrective action in egregious situations. She also added that as far as funding resources, there is no new funding being proposed beyond the infrastructure funding that they already have.

Member Hurt added the Belmont is going to struggle with enforcement which will be expensive and time consuming and Belmont is already struggling with a \$9M shortfall with COVID.

Chair Benton added that he hears that Cal Recycle wants to be reasonable, sensitive and assist, but that those are very subjective, and asked if there was anyone on the legislative side that was looking at ways to give the jurisdictions relief.

Cara Morgan noted that she wasn't aware of anything currently.

Vice Chair Aguirre asked if liability issues regarding edible food recovery have been addressed in that portion of SB1383.

Cara Morgan answered yes it has been addressed and best management practices will be provided, and measures that add additional protections for those involved in the safe re-distribution of edible food. Additionally, there are state laws that protect the businesses.

Vice Chair Aguirre asked how far along are the negotiations with Silicon Valley Clean Water (SVCW).

Staff Gans noted that limited start up and training is scheduled now for November on the O2E pilot and noted that there was a staff reporting updating the Board on the O2E progress in the September Board packet. He answered the SVCW is doing an internal economic analysis, that he didn't think was going very well, but was waiting for those results. And there are 4 other Waste Water Treatment Plant (WWTP) agencies interested in partnering with us, so he hoped to put it all together with multiple agencies.

Executive Director La Mariana concluded that staff would work with Environmental and Energy Consulting (EEC) on Chair Benton's direction.

Reed Addis, Principal of EEC noted that it is the end of a session and a new session wouldn't start until January, so he wasn't aware of any legislator who were ready to take this on, but there are a lot of questions going to the governor's office about modifying the implementation schedule and addressing some of concerns raised today.

## **9. Review of the Draft CY 2021 Operating Budget and Capital Expenditures**

Staff Mangini gave a PowerPoint presentation overview of the draft calendar year 2021 budget. Staff Gans joined in to give an overview of the capital improvement projects plan, noting that 2021 is primarily planning for projects in 2022 where roughly \$10M is planned for projects.

Member Groom asked if there would be a separate line item for SB1383 expenditures with each budget report out during the year so the Board could keep tabs on that.

Staff Mangini replied that we will definitely track those costs and report out to the Board. Executive Director La Mariana added that line 65 on the expenses spreadsheet is where staff has called out SB1383 expenses and where they will be tracked.

TAC Member Tong asked for clarification on where the actuals from the last fiscal year could be found in the attachments.

Staff Mangini answered that in attachment A there is a detail of the FY2020 actuals year ending June 30, 2020 which are unaudited at the moment, so they are preliminary.

Chair Benton encouraged Board and TAC Members to review this preliminary budget between now and November and get questions to staff ahead of time. He reminded the Board that November is going to be a very heavy agenda, and he hoped to get through this item quickly given it would be the second review of the budget.

#### **10. Discussion on PG&E EV Fleet Subsidy Grant Program Request**

Executive Director La Mariana noted that based on comments made by Chair Benton at the September Board meeting, staff is looking very aggressively at identifying subsidy opportunities for converting a portion of the Recology fleet to electric zero emission vehicles (ZEV). These subsidy programs could help defray costs in the transition of the fleet. Staff has worked with Recology in a sub work group and has identified at least 6 vehicles that can be converted to ZEVs by 2024, and potentially up to 24 vehicles. He added that the PG&E subsidy caps out at 24 vehicles, and there is an aspirational goal of replacing 54 trucks in the Recology fleet. He also added the Mike Kelly would want to note that right now the technology is lagging and replacing a current collection vehicle with a ZEV collection vehicle is not a one-for-one replacement because the technology is such that the battery takes up too much space and one electric truck does not do the same amount of work as one of the current diesel-powered trucks. He added that technology must improve, and productivity must improve. In mid-spring there will be an approval item up for Board consideration with an official letter of intent to PG&E to participate in their subsidy program.

Chair Benton asked if cutting this discussion short would hamper the ability to apply for grant and subsidy money.

Executive Director La Mariana answered when this item was put on this agenda it was with the understanding that the letter of intent would need to be approved at the November Board meeting, but what staff has learned from PG&E is that we can get in the queue now, and have the formality of the letter done in 5-6 months, thus the estimated spring approval date.

#### **11. Board Member/TAC Member Comments**

#### **12. Adjourn 4:11PM**



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Cyndi Urman, Clerk of the Board  
**Date:** November 19, 2020 Board of Directors Meeting  
**Subject:** Approval of the 2021 SBWMA Board of Directors Meeting Calendar

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### Recommendation

It is recommended that the SBWMA Board of Directors approve a 2021 Board of Directors meeting calendar and continue to hold these monthly meetings via video/tele conference or at the San Carlos Library where office space is rented for SBWMA staff as conditions allow in 2021.

### Summary

Staff recommends continuing with a 4<sup>th</sup> Thursday of the month meeting date as there are not any Member Agency governing body meetings on this day of the week. Historically the November Board meeting has been moved to the third Thursday due to Thanksgiving falling on the 4<sup>th</sup> Thursday, and staff recommends continuing with that practice in 2021. Additionally, staff recommends scheduling two study sessions in 2021. One joint Board/TAC study session on the second Thursday in September (the 9<sup>th</sup>) to jointly review the contractor's compensation applications. And one on the third Thursday in October (the 21<sup>st</sup>) to review the draft budget, capital improvement plan and operating expenses, this 3<sup>rd</sup> Thursday study session gives staff ample time to incorporate Board recommendations into the final budget being reviewed in the third week of November at the regular Board meeting.

### Analysis

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

### Background

The SBWMA monthly Board meetings have historically been held the on the fourth Thursday of the month starting at 2 pm. This day of the week and time was selected to minimize any overlap with Member Agency governing body meetings on Mondays Tuesdays and Wednesdays and other regional government meetings. As requested by the Board of Directors, staff has also checked the national holiday calendar and found no conflicting dates with any major national or religious holidays 2021. Staff usually sends out the agenda and Board packet one-week prior to the Board meeting.

### Fiscal Impact

The City of San Carlos currently charges a small fee of \$65 per meeting for the use of the Conference room. This The total cost for 2021 Board meetings will be approximately \$715 as currently scheduled if meetings are to resume in person in 2021. There is no per meeting charge for video/teleconference meetings.

### Attachments

Attachment A – Proposed 2021 Board Meeting Dates

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
2021 BOARD MEETING SCHEDULE**

Meetings of the South Bayside Waste Management Authority Board of Directors are held  
on the fourth Thursday of the month from 2PM to 4PM unless otherwise noted\*

Location: Via Tele or Video Conference or if allowed

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

January	28	2021
February	25	2021
March	25	2021
April	22	2021
May	27	2021
June	24	2021
July	22	2021
August	NO MEETING IN AUGUST	
September	9 (2 <sup>nd</sup> Thursday) <i>Joint Board/TAC Study Session: Contractor's Comp App Review</i>	2021
September	23	2021
October	21 (Third Thursday) <i>Board Study Session: FY 2022 Budget/CIP Review</i>	2021
November	18 (Third Thursday)	2021
December	NO MEETING IN DECEMBER	

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Julia Au, Outreach and Communications Manager  
**Date:** November 19, 2020 Board of Directors Meeting  
**Subject:** Resolution Approving a 2-Year Contract with Environmental and Energy Consulting (EEC) for 2021-2022 Legislative Advocacy Programs

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2020-42 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.

### Summary

To continue to increase the SBWMA's solid waste advocacy and political presence at the California state legislative level, with the Administration and with State regulatory agencies, Staff recommends the SBWMA enter into a new two-year contract with EEC to represent the Agency for the 2021-2022 legislative session.

### Analysis

Since 2018, EEC has represented the SBWMA on California state legislative and regulatory matters. During this time, EEC has developed important relationships for the agency on the legislative level, successfully represented and advocated on behalf of the agency in support of high priority issues including the reducing single-use plastics and packaging, and lead the agency in co-sponsoring legislation on proper battery disposal (AB 1509) authored by our local state legislative delegation. While the legislation was not passed due to the COVID-related suspension of all non-emergency bills, EEC continues to advocate on the agency's behalf on the need for safe battery disposal and Staff expects a new bill to be introduced in the next legislative session on to address these issues. EEC also provides monthly informational updates to the Board and helped Staff spearhead and launch a coalition of like-minded public agencies in California.

The current contract with EEC expires on December 31, 2020. The proposed contract would start on January 1, 2021 and last two years to coincide with the legislative session. The new two-year contract includes a ranking on the priority of activities to be conducted by EEC, with high priority given to pass legislation on collection and handling of lithium-ion batteries, engaging the Administration and relevant agencies to ease implementation of SB 1383 regulations, and provide regular updates to the SBWMA on these activities. Medium priorities include tracking and providing updates on local regulations issued by the local regulatory districts and boards.

Due to the increase in priority activities by the Board and Staff, requests to focus on regulatory assistance, and time associated with sponsorship of legislation, the new legislative contract has increased to \$6,000 monthly or \$72,000 annually. These costs are more in line with similar agencies who have contracted outside lobbyists. See **Table 1** for comparison of costs and services staff was able to obtain.

Table 1 - Lobbying Cost Comparison		
Organization	Annual Lobbying costs	Scope of Work & Notes
City/County Association of Governments	\$78,000	Legislative advocacy services in Sacramento and includes bill sponsorship
Peninsula Clean Energy	\$90,000	Lobbying of bills in Sacramento and could include sponsorship of a bill. For a bill with more complexities and opposition, possible opt up costs for more services for sponsorship.
StopWaste (Alameda County)	\$48,000	Lobbying services in Sacramento with regular updates. Includes sponsorship of a bill. Costs would likely go up for a major bill that requires significant lobbying
SWANA Legislative Task Force	\$57,750	Regulatory Review, Legislative Review, meetings, administrative support

SBWMA staff has been very satisfied with the level of representation by EEC on the state and legislative level in the past two years, especially in advocating for our important issues on battery safety and handling, single-use plastics, increase discussion in expanding California-based organics and recycling processing infrastructure, and engaging our local state legislative delegation.

### **Background**

The SBWMA sought greater representation and presence in Sacramento due to the new and emerging issues facing the SBWMA and the solid waste industry including, but not limited to proper battery handling and disposal, organics and recycling infrastructure and regulations related to SB 1383.

In September 2018, 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. 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 RFQ 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.

The SBWMA entered into an initial one-year agreement with Environmental and Energy Consulting in December 2018 for \$40,000 to ensure that there would be no lag time in representation and in January 2019, amended and expanded this contract to two years for a total of \$80,000 to better align with the legislative session.

### **Fiscal Impact**

The cost of the two-year agreement will not exceed \$144,000. The proposed CY 2021 budget includes Legislative and Regulatory Advocacy for \$72,000.

**Attachments:**

Resolution 2020-42

Exhibit A – Environmental and Energy Consulting Professional Services Agreement



**RESOLUTION NO. 2020-42**

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

**WHEREAS**, the SBWMA has determined that it is vital and necessary that its interests be actively advocated for with the California State Legislature and regulatory agencies in California; and

**WHEREAS**, the SBWMA has determined that outside legislative advocacy services would be the most appropriate method to ensure that the SBWMA is adequately represented in the legislative, administrative and regulatory processes in California; and

**WHEREAS**, Environmental and Energy Consulting has the appropriate qualifications and experience with the state legislative and regulatory processes as well as expertise in environmental issues; 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 19th day of November, 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. 2020-42 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 19, 2020.

ATTEST:

\_\_\_\_\_  
Jess E (Jay) Benton, Chairperson of SBWMA

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



AGREEMENT BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY AND ENVIRONMENTAL AND ENERGY CONSULTING (EEC) FOR PROFESSIONAL SERVICES RELATED TO THE 2021-2022 LEGISLATIVE SESSION

This Agreement is made and entered into as of the 20<sup>th</sup> day of November, 2020 by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY ( "AUTHORITY") and Environmental and Energy Consulting (EEC) ("CONSULTANT").

RECITALS

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

- A. That AUTHORITY desires to engage CONSULTANT to provide professional services related to supporting the Agency’s California Legislative and Regulatory Services.
- B. That CONSULTANT has represented that it has the necessary professional expertise, qualifications, and capability, and all required licenses and/or certifications to provide the services to the AUTHORITY and;
- C. That the AUTHORITY has elected to engage the services of CONSULTANT upon the terms and conditions as hereinafter set forth.

- 1. Services. The services to be performed by CONSULTANT under this Agreement shall include those services set forth in Exhibit A, attached hereto and made a part hereof by this reference.

Performance of the work specified in Exhibit A 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 the parties.

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

- 2. Term; Termination.
  - (a) The term of this Agreement shall commence upon the date hereinabove written and shall expire upon at the end of the 2021-2022 California Legislative session and completion of performance of services hereunder by CONSULTANT.

(b) Notwithstanding the provisions of (a) above, either party may terminate this Agreement without cause by giving written notice not less than ten (10) days prior to the effective date of termination, which date shall be included in said notice. In the event of such termination, AUTHORITY shall compensate CONSULTANT for services rendered, and reimburse CONSULTANT for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining



the services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of AUTHORITY to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to AUTHORITY hereunder.

3. Schedule. Time is of the essence in the performance of Services under this Agreement. CONSULTANT shall complete the Services within the term of this Agreement and in accordance with the schedule set forth in Exhibit "A". Any Services for which times for performance are not specified in this Agreement shall be commenced and completed by CONSULTANT in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the CONSULTANT. AUTHORITY's agreement to extend the term or the schedule for performance shall not preclude recovery of damages for delay if the extension is required due to the fault of CONSULTANT.
4. Compensation; Expenses; Payment. AUTHORITY shall compensate CONSULTANT for all services performed by CONSULTANT hereunder in an amount based upon CONSULTANT's hourly rates during the time of the performance of said services. A copy of CONSULTANT's hourly rates for which services hereunder shall be performed are set forth in CONSULTANT's fee schedule included in Exhibit A.

Notwithstanding the foregoing, the combined total of compensation and reimbursement of costs payable hereunder shall not exceed the sum One hundred forty-four thousand dollars (\$144,000), or \$72,000 per legislative year unless the performance of services and/or reimbursement of costs and expenses in excess of that amount have been approved in advance of performing such services or incurring such costs and expenses by AUTHORITY's Executive Director (for contracts less than \$50,000) or AUTHORITY Board (for contracts \$50,000 or more) evidenced by motion duly made and carried.

Compensation and reimbursement of costs and expenses hereunder shall be payable upon monthly billing therefor by CONSULTANT to AUTHORITY, which billing shall include an itemized statement, briefly describing by task and labor category or cost/expense items billed as per Exhibit B.

5. Additional Services. In the event AUTHORITY desires the performance of additional services not otherwise included within the services described in Exhibit A, such services shall be authorized in advance of the performance thereof by AUTHORITY's Executive Director (for contracts less than \$50,000) or AUTHORITY Board (for contracts \$50,000 or more) by motion duly made and carried. Such amendment to this Agreement shall include a description of the services to be performed thereunder, the maximum compensation and reimbursement of costs and expenses payable therefor, the time of performance thereof, and such other matters as the parties deem appropriate for the accomplishment of such services. Except to the extent

modified by written amendment, all other terms and conditions of this Agreement shall be deemed incorporated in each such amendment.

6. Records. CONSULTANT shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by CONSULTANT hereunder. Said records shall be available to AUTHORITY for review and copying during regular business hours at CONSULTANT's place of business or as otherwise agreed upon by the parties.
7. Authorization. This Agreement becomes effective when endorsed by both parties in the space provided below.
8. Reliance on Professional Skill of CONSULTANT. CONSULTANT represents that it has the necessary professional skills to perform the services required and the AUTHORITY shall rely on such skills of the CONSULTANT to do and perform the work. In performing services hereunder CONSULTANT shall adhere to the standards generally prevailing for the performance of expert consulting services similar to those to be performed by CONSULTANT hereunder.
9. Subcontracting.

**Option A: No Subcontractor:** CONSULTANT shall not subcontract any portion of the work to be performed under this Agreement without the prior written authorization of the executive director or designee.

**Option B: Subcontracts Authorized:** Notwithstanding Section 16 below, AUTHORITY agrees that subconsultants may be used to complete the Services. The subconsultants authorized by AUTHORITY to perform work on this Project are: [Fill in relevant information]

CONSULTANT shall be responsible for directing the work of any subconsultants and for any compensation due to subconsultants. AUTHORITY assumes no responsibility whatsoever concerning compensation. CONSULTANT shall be fully responsible to AUTHORITY for all acts and omissions of a subconsultant. CONSULTANT shall change or add subconsultants only with the prior approval of the Executive Director or designee.

10. Documents. All documents, plans, drawings, renderings, and other papers, or copies thereof, as finally rendered, prepared by CONSULTANT pursuant to the terms of this Agreement, shall, upon preparation and delivery to AUTHORITY, become the property of AUTHORITY.
11. Relationship of Parties. It is understood that the relationship of CONSULTANT to the AUTHORITY 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 AUTHORITY.

12. Indemnity. To the fullest extent allowed by law, CONSULTANT hereby agrees to defend, indemnify, and save harmless AUTHORITY, its boards, officers, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, AUTHORITY, its boards, officers, employees, and agents caused by, or alleged to have been caused by, the negligence, intentional tortuous act or omission, or willful misconduct of CONSULTANT, its officers, employees, subcontractors or agents in the performance of any services or work pursuant to this Agreement.

The duty of CONSULTANT to indemnify and save harmless, as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law.

The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained within this Agreement.

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

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

<sup>1</sup>Professional Liability

\$1,000,000 per claim and aggregate

It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the AUTHORITY as an Additional Insured. Furthermore, the requirements for coverage and limits shall be the greater of either (1) the minimum coverage and limits specified in this Agreement or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured.

CONSULTANT agrees to include with all subcontractors in their subcontracts the same requirements and provisions of this agreement including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by CONSULTANT shall agree to be bound to CONSULTANT and AUTHORITY in the same manner and to the same extent as CONSULTANT is bound to AUTHORITY under this Agreement and its accompanying documents. Subcontractors shall further agree to include these same provisions with any sub-subcontractors. A copy of the indemnity and insurance provisions of this Agreement will be furnished to the Subcontractor upon request. CONSULTANT shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the subcontract agreement and will provide proof of compliance to the AUTHORITY prior to commencement of any work by the subcontractor.

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

- (a) Precluding cancellation or reduction in per occurrence limits before the expiration of thirty (30) days (10 days for nonpayment) after AUTHORITY shall have received written notification of cancellation in coverage or reduction in per occurrence limits by first class mail;
- (b) Naming the South Bayside Waste Management Authority, its officers, boards, employees, and agents, as additional insureds; and
- (c) Providing that CONSULTANT's insurance coverage shall be primary insurance with respect to South Bayside Waste Management Authority, its officers, boards, employees, and agents, and any

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



insurance or self-insurance maintained by AUTHORITY for itself, its officers, boards, employees, and agents shall be in excess of CONSULTANT's insurance and not contributory with it. CONSULTANT and its insurer may not seek contribution from AUTHORITY's insurance or self-insurance.

The limits of insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of AUTHORITY, to the extent required by this Agreement, before the AUTHORITY's insurance or self-insurance may be called upon to protect AUTHORITY as a named Insured.

All self-insured retentions (SIR) must be disclosed to AUTHORITY for approval and shall not reduce the limits of liability coverage. Policies containing and SIR provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named CONSULTANT/Named Insured or AUTHORITY.

AUTHORITY reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of right to exercise later.

Any and all Subcontractors shall agree to be bound to CONSULTANT and AUTHORITY in the same manner and to the same extent as CONSULTANT is bound to AUTHORITY under this Agreement. Subcontractors shall further agree to include the same requirements and provisions of this Agreement, including the indemnity and insurance requirements, in any agreement with sub-subcontractors to the extent that they apply to the scope of the sub-subcontractor's work. A copy of the indemnity and insurance provisions of this Agreement shall be furnished to any subcontractor upon request.

CONSULTANT shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following completion of this project or service. In the event CONSULTANT fails to obtain or maintain completed operations coverage as required by this Agreement, the AUTHORITY at its sole discretion may purchase the coverage required and the cost will be paid by CONSULTANT.

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

15. NON-DISCRIMINATION. The CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the AUTHORITY setting forth the provisions of this non-discrimination clause.
16. Notice. All notices required by this Agreement shall be given to the AUTHORITY and CONSULTANT in writing, by first class mail, postage prepaid, addressed as follows:

AUTHORITY: Rethink Waste  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Attention: Julia Au, Program Manager  
Grant Ligon, Management Analyst III

CONSULTANT: Environmental and Energy Consulting  
Reed Addis, Principal  
1121 L Street, Suite 309  
Sacramento, CA 95814  
Phone: (916) 426-9170  
[reed@caleec.com](mailto:reed@caleec.com)

17. Non-Assignment. This Agreement is not assignable either in whole or in part.
18. Amendments. This Agreement may be amended or modified only by written agreement signed by both parties.
19. Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
20. Governing Law. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable attorney's fees and expenses of litigation of the successful party.

21. 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.
  
22. Conflict of Interest. CONSULTANT may serve other clients, but none that would place CONSULTANT in a "conflict of interest" as that term is defined in State law.
  
23. Entire Agreement. This Agreement, including Exhibits A, B, and C, comprises the entire Agreement.

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

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Dated: \_\_\_\_\_  
 \_\_\_\_\_  
 Jess E. (Jay) Benton, Board Chair

ATTEST:

Dated: \_\_\_\_\_  
 \_\_\_\_\_  
 Cyndi Urman, Board Secretary

APPROVED AS TO FORM

Dated: \_\_\_\_\_  
 \_\_\_\_\_  
 Jean Savaree, Legal Counsel

CONSULTANT

Dated: \_\_\_\_\_  
 \_\_\_\_\_  
 Reed Addis, Principal EEC



EXHIBIT A

SCOPE OF WORK, WORK SCHEDULE, AND FEE SCHEDULE  
FOR  
2021-2022 LEGISLATIVE AND REGULATORY SERVICES



## **SCOPE OF WORK CALIFORNIA LEGISLATIVE AND REGULATORY SERVICES**

This document includes a description of activities Environmental & Energy Consulting (EEC) will undertake to assist RethinkWaste in engaging in public policy. EEC's scope of work will be conducted on an annual retainer basis for a period of two years, not to exceed \$72,000 each year. The total cost will not exceed \$144,000 for the two years. The fee schedule for this contract will be \$6,000 per month.

### **High Priority Tasks**

EEC will design and implement a strategy to pass legislation sponsored by RethinkWaste to collect and recycle lithium-ion batteries.

EEC will help RethinkWaste design and implement a strategy to ease the implementation of SB 1383. As part of this strategy, EEC will engage with the Administration and relevant Agencies.

EEC will regularly provide updates to RethinkWaste on its sponsored legislation and SB 1383 implementation.

### **Medium Priority Tasks**

EEC will track agency activities and provide updates and strategic advice on how RethinkWaste should engage in these activities.

EEC will track and provide updates on local regulations issued by the Bay Area Air Quality Management District and the regional water quality control board.

### **Lower Priority Tasks**

EEC will monitor legislation of importance to RethinkWaste, submit support letters, and advocate at public committee hearings.

EEC will advocate for funding in the budget to support organic waste recycling infrastructure from cap-and-trade auction revenues or another funding mechanism.

EEC will staff the "Zero Waste Now" coalition to help waste management agencies advocate for a set of waste policies and priorities.

## 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

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#### 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
<b>TOTALS:</b>	<b>2.0</b>		<b>\$400.00</b>

TOTAL THIS TASK: \$400

#### TASK 2 TITLE/Description

Professional Personnel:	Hours:	Rate:	Amount:
John Doe	3.0	\$200.00	\$600.00
<b>TOTALS:</b>	<b>3.0</b>		<b>\$600.00</b>

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
<b>This Invoice</b>	<b>10%</b>	<b>\$1,000.00</b>
Contract Balance	90%	\$9,000.00

## EXHIBIT C

### INSURANCE FORMS

CONSULTANT shall provide, in addition to the Certificates of Insurance, original Endorsement affecting the coverages specified in Section 12 - INSURANCE of the Agreement on the attached form. No substitute form will be accepted.

#### **ATTACHED**

1. Insurance Coverage Form





## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
John Mangini, Senior Finance Manager  
**Date:** November 19, 2020 Board of Directors Meeting  
**Subject:** Consideration of Six Month Extension of License Agreement with Recology San Mateo County for Use of a Portion of SBWMA's Shoreway Environmental Center Property

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### Recommendation

It is recommended that the SBWMA Board of Directors adopt resolution 2020-43 approving a six month extension of the Shoreway Center License Agreement with Recology San Mateo County ("Recology") allowing it to continue using a portion of SBWMA's Shoreway property to perform its franchise obligations to Member Agencies.

### Background

On January 1, 2011, in conjunction with the award to Recology of the Franchise Agreement for Recyclable Materials, Organic Materials, and Solid Waste Collection Services, SBWMA entered into a License Agreement with Recology, allowing it to use a portion of SBWMA's Shoreway property, the "Shoreway Center License Agreement" (the "License Agreement"). (Attachment 1.) The License Agreement's term mirrored the term of the original franchise agreements – January 1, 2011 through December 31, 2020, "unless previously extended by prior agreement of both parties." Member Agencies have approved new franchise agreements with Recology (the "Restated Franchise Agreement"), with a new term of January 1, 2021 through December 31, 2035. In order for Recology to continue its operations under the Restated Franchise Agreements, the License Agreement needs to be extended to December 31, 2035. The Board held a real property closed session hearing on this matter at its September 24, 2020 meeting and gave direction to the executive director regarding negotiation of the extended license. Staff and Recology have not been able to complete negotiations on the updated License Agreement, and need more time. In the meantime, Recology needs to be able to utilize the site to perform its franchise obligations.

### Discussion

The current License Agreement is set to expire at the end of December unless extended by the parties. Staff and Recology are working on finalizing terms for an updated, extended License Agreement, but that work will not be completed before the December deadline. A six month extension of the existing License Agreement will enable Recology to continue using the site to perform its franchise obligations while the parties update provisions for the extended License Agreement. Recology has agreed to a six month extension pending negotiations. (Attachment 2.)

### Environmental Review

Approval of the six month extension of the License Agreement is categorically exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guideline 15301, Existing Facilities, which provides that the licensing of existing public facilities that does not expand an existing use is exempt from review.

### Conclusion

The current License Agreement is set to expire at the end of December unless extended by previous agreement of both parties. A six month extension of the existing agreement will enable the parties to complete negotiations on an updated license for the new franchise term. Staff recommends that the Board adopt Resolution No. 2020-43 approving a six-month extension of the current License Agreement.

Attachments:

**Resolution 2020-43**

**Attachment A** - Shoreway Center License Agreement

**Attachment B** - Letter from Recology consenting to 6-month extension



## RESOLUTION NO. 2020-43

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A SIX MONTH EXTENSION OF THE SHOREWAY CENTER LICENSE AGREEMENT WITH RECOLOGY SAN MATEO COUNTY

**WHEREAS**, the Member Agencies of the South Bayside Waste Management Authority (“Authority”) executed a Franchise Agreement for Collection Services with Recology San Mateo County (“Recology”), with a term of January 1, 2011 through December 31, 2020, under which Recology collected solid waste, recyclable materials, and organics materials from within each such Member Agency’s jurisdiction which it delivered to the Shoreway Center for recycling or transfer to a landfill for disposal; and

**WHEREAS**, the Authority granted a license to Recology to use a portion of the Shoreway Center property (the “Property”) in connection with its performance of its Franchise Agreements with Member Agencies, through execution of the Shoreway Center License Agreement, entered January 1, 2011 (the “License Agreement”). The term of the License Agreement is the same as the Franchise Agreements, from January 1, 2011 through December 31, 2020, “unless extended by agreement of both parties”; and

**WHEREAS**, the Member Agencies have extended their relationship with Recology by executing Amended and Restated Franchise Agreements (“Restated Franchise Agreement”), with a term of January 1, 2021 through December 31, 2035, and Recology needs to continue utilizing the Property to meet its obligations under the Restated Franchise Agreements, and

**WHEREAS** Recology and the Authority both desire to extend the License Agreement for six months, until June 30, 2021, to provide time for them to finalize terms on an updated License Agreement to run for the term of the Restated Franchise Agreements; and

**WHEREAS**, approval of the six month extension of the License Agreement is categorically exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guideline 15301, Existing Facilities, which provides that the licensing of existing public facilities that does not expand an existing use is exempt from review.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a six month extension, until June 30, 2021, of the License Agreement.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 19<sup>th</sup> day of November 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. 2020-43 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 19, 2020.

ATTEST:

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

\_\_\_\_\_  
 Jess E (Jay) Benton, Chairperson of SBWMA

## SHOREWAY CENTER LICENSE AGREEMENT

This License Agreement ("Agreement" or "License") is entered into as of 11/2011 2010, by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY, a public agency (the "Authority"), and RECOLOGY SAN MATEO COUNTY, a California corporation ("Licensee").

### RECITALS:

- A. The Authority is a joint powers authority organized under the California Joint Exercise of Powers Act. Its 12 member agencies are cities and other local governmental agencies in San Mateo County, each of which oversees the collection of solid waste and recyclable materials within its jurisdiction.
- B. The Authority owns and oversees the operation of the Shoreway Recycling and Disposal Center (Shoreway Center) in San Carlos. The Shoreway Center and the property on which it is located (the Property) are shown on Exhibit A, attached hereto and incorporated into this Agreement by this reference.
- C. The Member Agencies have executed or are considering entering into a Franchise Agreement for Collection Services with Licensee, under which the Licensee would, commencing January 1, 2011, collect solid waste, recyclable materials, and organics materials (Franchise Agreement) from within each such Member Agency's jurisdiction and deliver it to the Shoreway Center for recycling or transfer to a landfill for disposal.
- D. The Authority awarded a contract to South Bay Recycling (Shoreway Operator) to operate the Shoreway Center commencing January 1, 2011.
- E. Licensee desires to use a portion of the Property commencing January 1, 2011, in connection with its performance of its Franchise Agreements with Member Agencies.
- F. Authority is willing to allow such use on the following terms and conditions.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

1. Grant of License. Subject to the conditions, covenants and restrictions of this Agreement, the Authority grants to Licensee a license ("License") to use the License Area for the Permitted Use, together with necessary rights of ingress and egress over the Property, commencing January 1, 2011.
2. Term. The term of this Agreement will begin on Jan 1, 2011 {same as the "as of" date on the first line} and will end on December 31, 2020, unless previously extended by agreement of both parties or terminated by Authority as provided in Section 19.
3. License Area. The License Area comprises two separate portions of the Property:
  - A. Collection Operations Area. This consists of an approximately 276,843 square foot area in the northeast portion of the Property designated "Collection Yard - Collection Operations Area" on Exhibit A and includes structures for maintaining,

repairing and cleaning vehicles and bins, as well as underground fuel tanks and dispensing pumps and the oil/water separator. Licensee will be responsible for maintenance, permits and spill response in this area and shall ensure that all operating permits are current.

B. Administration Area. This consists of approximately 21,131 square feet of office space and adjacent parking area designed "Administration - Collection Operations Area" on Exhibit A.

4. Permitted Uses. Licensee may use the License Area solely for its provision of solid waste, recyclable materials, and organics materials collection services to Member Agencies which have entered into Franchise Agreements with it as provided herein.

Subject to Section 7, Licensee may use the Collection Yard to:

- park collection trucks and supervisory/support vehicles and may permit employees to park their personal vehicles while on duty;
- allow visitors to park their personal vehicles;
- store collection bins and other equipment; and
- wash, maintain, repair, and fuel its vehicles.

Licensee may use the Administration Area for office activities directly and exclusively associated with its provision of collection service to Member Agencies which have entered into Franchise Agreements with it and for employee and visitor parking.

Licensee may not use the License Area for any other purpose or business without obtaining the Authority's prior written consent.

Authority agrees to pay for parking spaces that are made inaccessible in the parking area east of the transfer station during construction that is anticipated to continue through the first six (6) months of 2011. Authority agrees to compensate Licensee for the twenty-four (24) parking spaces that are located in this area and allocated for Licensee's use for an amount not to exceed \$100.00 per month per parking space for each month that the parking spaces are inaccessible to Licensee.

Authority agrees to share one-half (½) of the cost for off-site parking with Licensee for the anticipated thirty-five (35) additional parking spaces that are needed for Licensee's employee parking based on current estimates. Authority agrees to remit payment to Licensee for an amount not to exceed \$1,800.00 per month for the Term for off-site parking. Authority and Licensee agree to meet annually with the goal of determining if Licensee can accommodate all of its parking needs on-site.

5. License Fee. Licensee shall pay Authority One Dollar (\$1.00) per year as a fee for use of the License Area. The fee is payable on January 1 of each year of the Term, commencing January 1, 2011.

6. Shoreway Operator's and Authority's Use of Property. The Shoreway Operator will have limited rights to use the following portions of the Collection Yard: the fueling facilities

and a bay in the smaller maintenance building. In addition, both the Shoreway Operator and Licensee will share use of the entry/exit access roads and the parking area behind the Transfer Station building. Licensee shall cooperate with the Shoreway Operator to minimize interference with Shoreway Operator's activities. Provisions addressing cooperation by the Shoreway Operator with Licensee's activities are specified in Section 5.05.D and Sections 1.J and 1.L of Attachment 3 to the Shoreway Operator's 2009 agreement with the Authority. If there is a dispute between the Licensee and the Shoreway Operator over the use of the Property, the Authority will make a determination, which will be final and binding on both entities.

The Authority shall have exclusive use of a fenced area within the Collection Yard of approximately 5,000 square feet (approximately 50' x 100'). In addition, the Authority shall have exclusive use of one enclosed office in the administration building (at least fifty (50) square feet) and two parking spaces in front of the building. The Authority will be responsible for furnishing the office; Licensee will be responsible for all utilities including telephone and internet access.

7. Utilities. Licensee shall pay for all utilities including water, electricity, gas, heat, light, communications, and janitorial and building maintenance services provided to the License Area. In cases where there is a single meter, the costs will be allocated as the Licensee and Shoreway Operator may agree. If they are unable to agree, the Authority will make a determination, which shall be final and binding on both entities.

8. Personal Property. Licensee shall provide, at its expense, telephone and other communications equipment, furniture, computers, office supplies and moveable partitions as well as all other personal property as needed for its use of the License Area.

9. Maintenance. Licensee shall keep the License Area, including any improvements located thereon, in safe condition and in good order, condition and repair at all times, at Licensee's sole cost and expense. Licensee shall, at Licensee's sole expense, repair any area damaged by Licensee, its agents, employees, or visitors. Licensee acknowledges that this License imposes no duty on Authority to repair or make improvements to the Property. If Licensee fails to perform Licensee's obligations under this Section, the Authority may enter upon the License Area after twenty-four (24) hours prior notice to Licensee (except in the case of an emergency, in which case no notice shall be required) and perform such obligations on Licensee's behalf and expense. Licensee shall, upon demand, immediately reimburse the Authority for the cost of such cure together with interest at a rate of 10% per year from the date of the expenditure by the Authority until such reimbursement is received by the Authority. At the expiration or earlier termination of this License, Licensee shall surrender the License Area to the Authority in the same condition as when received, ordinary wear and tear excepted.

10: Water Quality Protection. Licensee shall use oil-water separators furnished by the Authority to collect oil run-off from its trucks at its wash rack and truck maintenance facilities, in drainage systems in and around the vehicle parking areas, to prevent oil contamination of the San Francisco Bay. Licensee shall submit to Authority, for its review and approval, its Spill Prevention Control and Countermeasure Plan (SPCC) and a Storm Water Pollution Prevention Plan (SWPPP), no later than September 1, 2010. Activities delineated in Licensee's SPCC and SWPPP shall be coordinated with the SPCC and SWPPP prepared by the Facility Operator to ensure that spill control and storm water management at the Shoreway Center is managed in compliance with applicable laws and regulations. Authority shall apply for an interim variance from specific testing and approval requirements for underground storage tank (UST) systems storing certain biodiesel blends (i.e., B5-B20) per section 2631.2 of Chapter 16 of Title 23 of the California Code of Regulations by January 1, 2011. Without regulatory approval obtained by

Authority to allow for the continued use of the existing UST systems for a biodiesel blend, the Authority will consider upgrading the UST tanks, allow for an alternative to the UST tanks, or request that the Member Agencies allow Licensee to use an alternative fuel other than that specified for use in the Member Agency Franchise Agreements.

11. Hazardous Materials. In conducting its operations on the Property, Licensee shall at all times comply with all laws, statutes, ordinances, rules, regulations or orders applicable to hazardous materials and pay all costs of such compliance. Licensee shall immediately notify the Authority if Licensee learns of, or has reason to believe that, a release of Hazardous Materials has occurred in, on or about the License Area. The term "release" or "threatened release" when used with respect to Hazardous Materials shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the License Area. Licensee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Licensee or its agents or invitees cause a release of Hazardous Materials, Licensee shall, without cost to the Authority and in accordance with all laws and regulations, return the License Area to the condition immediately prior to the release. In connection therewith, Licensee shall afford the Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Materials.

For purposes of this Agreement, "Hazardous Materials" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Materials includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) or pursuant to Section 25316 of the California Health and Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health and Safety Code; any asbestos and asbestos containing materials and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids.

12. Compliance with Laws. Licensee, at Licensee's expense, will at all times comply with all applicable laws, regulations, rules, and orders with respect to Licensee's use of the Property, including, without limitation, those relating to signage, health, disability accommodation (including the Americans with Disabilities Act), safety, noise, environmental protection, waste disposal, and water and air quality. Licensee will furnish satisfactory evidence of such compliance upon request of the Authority.

13. License Non-assignable. This License is personal to the Licensee and shall not be assigned without the prior written consent of Authority. Any attempt to assign the License without such prior consent shall automatically terminate it. No legal title or leasehold interest in the Property is created or vested in Licensee by the grant of this License.

14. Assumption of Risk/Waiver of Claims.

A. Neither the Authority nor any of its directors, officers, employees or Member Agencies shall be liable for any damage to the property of Licensee, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Property or its use by Licensee.

B. Licensee acknowledges and agrees that it will not be a displaced person at the time this License is terminated or expires by its own terms, and Licensee releases, waives and discharges any and all claims, demands, rights, and causes of action against, and covenants not to sue, the Indemnitees under any present or future laws, statutes, or regulations, including, without limitation, any and all claims for relocation benefits or assistance from the Authority under federal and state relocation assistance laws.

C. Licensee acknowledges and agrees that the fee payable hereunder does not take into account any potential liability of the Authority for any consequential or incidental damages including, but not limited to, lost profits arising out of damage to or destruction of the Shoreway Center and consequential disruption of Licensee's use of the License Area. The Authority would not be willing to grant this License in the absence of a waiver of liability for consequential and incidental damages due to the acts or omissions of the Authority or its agents, and Licensee expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Licensee or other waivers contained in this License and as a material part of the consideration for this License, Licensee fully releases, waives and discharges the Indemnitees from any and all claims, demands, and causes of action for consequential and incidental damages (including without limitation, lost profits) arising out of damages to or destruction of the Shoreway Center and agrees that Authority has no duty to rebuild or replace the Shoreway Center in the event of such damage or destruction.

D. In connection with the foregoing releases, Licensee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Licensee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Licensee intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive expiration or termination of this License.

15. Indemnity. Licensee shall defend (with counsel reasonably satisfactory to the Authority), indemnify and hold harmless the Authority, its officers, directors, employees, volunteers and agents (collectively "Indemnitees"), from and against all claims, causes of action, proceedings, losses, damages, liability, cost, and expense (including, without limitation, any fines, penalties, judgments, litigation costs, attorneys' fees and consulting, engineering and construction costs) for loss of or damage to property and for injuries to or death of any person (including, but not limited to, the property and employees of each party) ("Liability") arising or

resulting from the use of the Property by Licensee, its agents, employees, contractors, subcontractors, or invitees or Licensee's breach of a provision of this Agreement. The duty of Licensee to indemnify and save harmless includes the duties to defend as set forth in Section 2778 of the Civil Code. It is the express intent of the parties that Licensee will indemnify and hold harmless Indemnitees from any and all claims, suits or actions regardless of the existence or degree of fault or negligence on the part of Indemnitees, except to the extent the Liability is found by a court to have been caused by the active gross negligence, willful misconduct or criminal act of a particular Indemnitee, it being understood and agreed that any Indemnitee not acting in such a manner shall be entitled to the benefits of this indemnity. This indemnity shall survive expiration or termination of this Agreement.

16. Insurance

A. Types and Amounts of Coverage. Licensee, at Licensee's sole cost and expense, shall procure and maintain in force at all times during the Term the following types and amounts of insurance:

1. Workers Compensation and Employer's Liability. Licensee shall maintain Workers Compensation insurance covering its employees in statutory amounts and otherwise in compliance with the laws of the State of California. Licensee shall maintain Employer's Liability insurance in an amount not less than One Million Dollars (\$1,000,000) per accident or disease. Licensee shall not be obligated to carry Workers Compensation insurance if it: (i) qualifies under California Law and continuously complies with all statutory requirements to self-insure against such risks; (ii) furnishes a Certificate of Permission to Self Insure issued by the Department of Industrial Relations; and (iii) maintains excess Workers Compensation and Employer's Liability coverage.

2. Commercial General Liability and Automobile Liability. Licensee shall maintain commercial general liability insurance and automobile liability insurance with a combined single limit of not less than Ten Million Dollars (\$10,000,000) per occurrence covering all claims and all legal liability for personal injury, bodily injury, death, and property damage, including the loss of use thereof, arising out of, or occasioned in any way by Licensee's use of the License Area. The insurance required by this subsection shall include:

- a. Premises Operations;
- b. Personal Injury Liability with Employment Exclusion deleted;
- c. Owned, Non-Owned, and Hired Motor Vehicles;

3. Property Insurance. Licensee shall arrange for the License Area to be added to the all-risk, first-party property insurance maintained by its parent corporation, Recology Inc. The coverage provided by this policy shall be primary as respects the portion of the License Area designated the Collections Operation Area and the improvements located on that portion.

4. Pollution (Environmental Impairment) Liability. Licensee shall maintain pollution liability insurance coverage of not less than ten million dollars (\$10,000,000) per occurrence covering claims for on-site, under-site, or off-site bodily injury and property damage as a result of pollution conditions arising out of its operations under this License Agreement.

B. Required Endorsements

1. The Commercial General Liability policy shall contain endorsements in substantially the following form:

a. "Thirty (30) days prior written notice shall be given to the South Bayside Waste Management Authority in the event of cancellation, reduction in coverage, or nonrenewal of this policy. Such notice shall be sent to:

South Bayside Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Attention: Executive Director"

b. "The Authority, its officers, employees, and agents are additional insureds on this policy."

c. "This policy shall be considered primary insurance as respects any other valid and collectible insurance maintained by the Authority, including any self-insured retention or program of self-insurance, and any other such insurance shall be considered excess insurance only."

d. "Inclusion of the Authority as an additional insured shall not affect the Authority's rights as respects any claim, demand, suit or judgment brought or recovered against the Licensee. This policy shall protect Licensee and Authority in the same manner as though a separate policy had been issued to each, but this shall not operate to increase the company's liability as set forth in the policy beyond the amount shown or to which the company would have been liable if only one party had been named as an insured."

2. The Automobile Liability policy shall contain the endorsements described in subsections B.1 b, c, and d.

3. The Workers Compensation insurance policy (underlying or excess) shall contain an endorsement waiving the carrier's rights of subrogation against the Authority, its agents, officers and employees.

C. Delivery of Proof of Coverage. Licensee shall furnish the Authority, no later than September 1, 2010, certificates of each policy of insurance required hereunder, in form and substance satisfactory to Authority. Such certificates shall show the type and amount of coverage, effective dates and dates of expiration of policies and shall have all required endorsements. If the Authority requests, copies of each policy, together with all endorsements, shall also be promptly delivered to Authority. Renewal certificates will be furnished periodically to Authority to demonstrate maintenance of the required coverages throughout the Term.

D. Other Insurance Requirements.

1. The insurance policies required by this section shall be issued by an insurance company or companies authorized to do business in the State of California and with a rating in the most recent edition of *Best's Insurance Reports* of Size Category XV or larger and a rating classification of A or better.

2. Licensee shall comply with all requirements of the insurers issuing policies. The carrying of insurance shall not relieve Licensee from any obligation under this License. If any claim is made by any third person against the Licensee on account of any occurrence related to this License, the Licensee shall promptly report the facts in writing to the insurance carrier and to the Authority.

3. Licensee shall provide thirty (30) days prior written notice to the Authority in the event of: (i) loss of permission to self insure for Workers Compensation risks; or (ii) cancellation, non-renewal or reduction in coverage of the excess Workers Compensation policy, the automobile liability policy or the property damage policy.

E. Absence of Insurance. If Licensee fails to procure and maintain any insurance required by this License, the Authority may take out and maintain, at Licensee's expense, such insurance as it may deem proper and recover the cost thereof from Licensee.

17. Licensee's Commitments Related to Franchise Agreements. The Franchise Agreements for Collection Services between Member Agencies and Licensee require the Licensee to pay to Authority:

- A. "Gate Fees" for delivering material to the Shoreway Center.
- B. "Excess Contamination Fees" described in Section 6.02 of the Member Agencies Franchise Agreement(s), as well as disincentive payments or other charges for contamination levels of materials delivered to the Shoreway Center exceeding allowable amounts as specified in the franchise agreements.
- C. "Other Fees" that are described in Section 10.05 of the Member Agency Franchise Agreement(s) that are included in customers bills by Licensee on behalf of Member Agencies for various third party provided services such as the Authority's Door-to-Door HHW Collection Service Program with Curbside, Inc. The fees described in the preceding sentence are included as Pass-Through Costs as described in Attachment K section 7 of the Member Agency Franchise Agreements.

Fees remitted to Authority by Licensee on behalf of Member Agencies shall be treated for the purpose of determining Licensee's compensation under the Franchise Agreement(s) as if these fees are paid directly to the Member Agency pursuant to the Franchise Agreement(s).

Licensee agrees to remit payment to Authority for each of these fees by automated clearing house (ACH) transaction or wire transfer within three (3) business days upon receipt of a bill or other demand from Authority. Licensee shall pay to Authority a maximum of once monthly the Excess Contamination Fees and Other Fees described in the preceding subsections 17.B and 17.C. Licensee shall pay to Authority the Gate Fees described in the preceding subsection 17.A a maximum of twice monthly based on payments for: (i) the first (1<sup>st</sup>) through the fifteenth (15<sup>th</sup>) day of each month; and (ii) the sixteenth (16<sup>th</sup>) through the last day of each month. Authority and Licensee agree that the twice monthly payment schedule for Gate Fees described in the preceding sentence shall be implemented commencing April 1, 2011. For the months of January, February and March 2011, Licensee shall remit payment to Authority once per month by ACH or wire transfer within three (3) business days upon receipt of a bill or other demand from Authority.

In addition, the Franchise Agreements include or are expected to include provisions that involve active participation in their administration by the Authority. Examples include: (i) Authority's conduct of a review of Licensee's annual application for adjustment of its compensation; (ii) Authority's conduct of annual evaluations of Licensee's performance as collection contractor; and (iii) public education and outreach activities. Licensee agrees to fully and actively cooperate with Authority to facilitate its accomplishment of all activities contemplated by the Franchise Agreements.

18. Improvements to the License Area. Authority and Licensee agree that improvements to License Area need to be accomplished. Specifically:

- A. Authority and Licensee agree to share equally the cost of all information technology upgrades to the License Area which are needed for Licensee to provide the services specified in the Franchise Agreements. The scope of the upgrades shall be agreed upon in advance by Authority and Licensee. Authority agrees to pay one-half (1/2) of the cost of these upgrades in an amount not to exceed \$33,000 upon receipt of the invoice from Licensee's contractor(s). Licensee's must use qualified licensed contractor(s) that carry workers compensation and general liability insurance and provide in advance of any work, an insurance certificate naming the Authority as an additional insured. Authority shall direct the current occupant to cooperate with Licensee to make the necessary improvements based on a plan submitted by Licensee that ensures no disruption to the current tenants operations. The Authority may post a notice of non-responsibility prior to Licensee's contractor commencing with the specified upgrades to the License Area.
- B. As soon as possible weather permitting, between January 1, 2011 and July 1, 2011, Authority shall authorize Licensee to proceed with painting and striping on the pavement of the Collection Operations Area to improve traffic flow and vehicle safety. Authority shall contribute to Licensee an amount not to exceed \$30,000 for the painting and striping of the Collection Operations Area.
- C. By January 1, 2011, Authority will upgrade the transfer station building northeast corner entrance/exit to include a traffic signal paid for by the Authority in an amount not to exceed \$8,000.

19. Authority's Right to Terminate. Authority may terminate this Agreement if Licensee commits a material breach of this Agreement and fails to cure such breach within thirty (30) days after notice from Authority.

Authority may also terminate this Agreement if the Shoreway Center is destroyed, or damaged so severely as to be inoperable and Authority elects, in its sole discretion, not to rebuild or restore it.

Upon termination of the License, Licensee shall remove all of Licensee's personal property from the Property and shall surrender possession of the License Area to Authority, in the same condition as at the commencement of Licensee's use, normal wear and tear excepted. In the event Licensee fails to remove any personal property or repair the License Area, the Authority may, at its sole election, at any time thereafter remove the Licensee's equipment and personal property from the License Area and restore the License Area to its original condition, at Licensee's sole cost and expense. Licensee's obligations in this Section shall survive expiration

or termination of this License.

20. Notices. All notices required or permitted to be given under this Agreement shall be in writing and delivered by certified or registered mail, return receipt requested, by personal delivery, or by overnight courier, to the appropriate address indicated below or at such other place or places as either the Authority or Licensee may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed received four (4) days after the date of mailing, one (1) day after transmittal by overnight courier, or immediately upon personal delivery.

To Licensee: Recology San Mateo County  
1356 Marsten Road  
Burlingame, Ca 94010  
Attention: General Manager

Commencing January 1, 2011:  
Recology San Mateo County  
225 Shoreway Road  
San Carlos, CA 94070  
Attention: General Manager

To Authority: South Bayside Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Attention: Executive Director

Day-to-day communications shall be directed to the Authority's Facility Operations Contract Manager (Telephone: (650) 802-3507) and to Licensee's \_\_\_\_\_ (Tel: ~~650~~ 595-3900).

21. No Waiver. No waiver of a breach of any obligation of this Agreement by either party shall be implied from any omission by either party to take action on account of such breach. No express waiver shall affect any breach other than the breach specified in the waiver, and the waiver shall be operative only for the time and to the extent stated. Waivers of any covenant, term or condition by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. A party's consent to or approval of any act by the other party shall not be deemed to waive or render unnecessary its consent to or approval of any subsequent similar acts.

22. Severability. Each provision of this Agreement is intended to be severable. If any term of provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

23. Attorneys' Fees. If any legal proceeding is instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in the proceeding shall receive, in addition to all court costs, reasonable attorneys' fees.

24. Governing Law. The rights and obligations of the parties under this Agreement shall be interpreted in accordance with the laws of the State of California as applied to contracts

that are made and performed entirely in California.

25. Effect of Headings. The headings of the sections of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.

26. Integration; Modification. This Agreement constitutes the complete expression of the agreement between the parties and supersedes any prior agreements, whether written or oral, concerning the subject of this Agreement, which are not fully expressed in this Agreement. The parties intend this Agreement to be an integrated agreement. Any modification of or addition to this Agreement must be in writing signed by both parties.

27. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which shall constitute one and the same agreement.

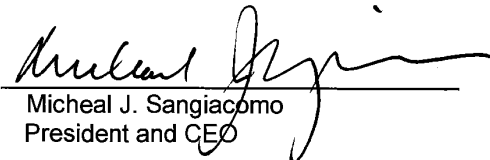
28. Guaranty. Licensee shall deliver to Authority a Guaranty in the form attached hereto concurrently with the execution of this License Agreement.

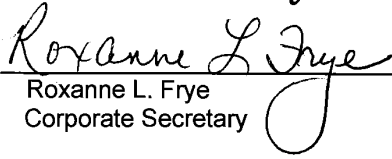
IN WITNESS WHEREOF, the parties have executed this License Agreement as of the day and year first above written by their duly authorized representatives.

**SOUTH BAYSIDE WASTE MANAGEMENT  
AUTHORITY**

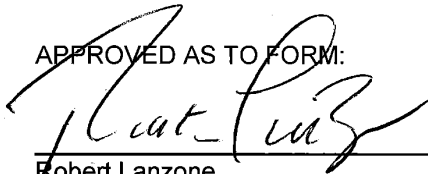
By:   
Kevin McCarthy  
Executive Director

**RECOLOGY SAN MATEO COUNTY**

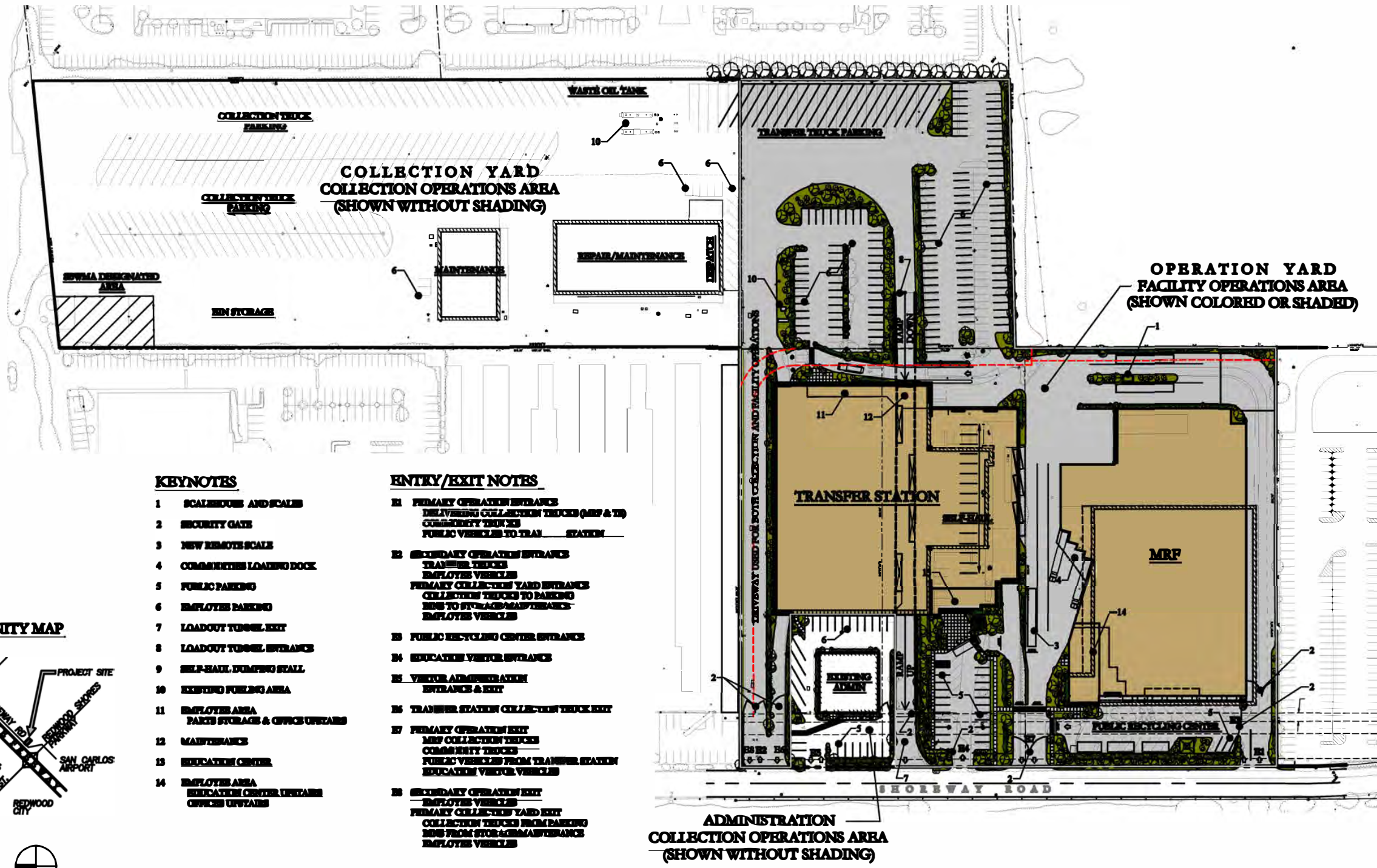
By:   
Micheal J. Sangiacomo  
President and CEO

By:   
Roxanne L. Frye  
Corporate Secretary

APPROVED AS TO FORM:

  
Robert Lanzone  
Legal Counsel

# EXHIBIT A

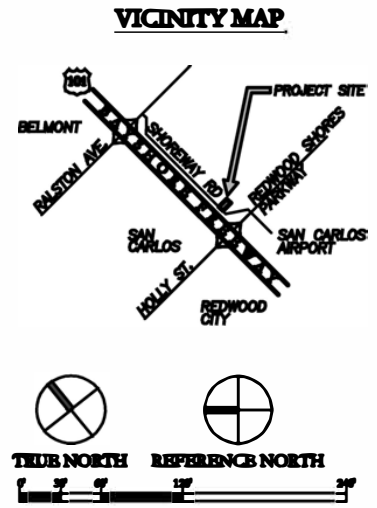


### KEYNOTES

- 1 SCALEBOARDS AND SCALES
- 2 SECURITY GATE
- 3 NEW REMOTE SCALE
- 4 CONSTRUCTION LOADING DOCK
- 5 PUBLIC PARKING
- 6 EMPLOYEE PARKING
- 7 LOADOUT TUNNEL EXIT
- 8 LOADOUT TUNNEL ENTRANCE
- 9 SELF-HAUL DUMPING STALL
- 10 EXISTING PAVING AREA
- 11 EMPLOYEE AREA, PARKS STORAGE & OFFICE UPstairs
- 12 MAINTENANCE
- 13 EDUCATION CENTER
- 14 EMPLOYEE AREA, EDUCATION CENTER UPstairs, OFFICE UPstairs

### ENTRY/EXIT NOTES

- E1 PRIMARY OPERATION ENTRANCE DELIVERING COLLECTION TRUCKS (MRF & TR) CURRENTLY TRUCK TO PUBLIC VEHICLES TO TRANS. STATION
- E2 SECONDARY OPERATION ENTRANCE TRANSFER TRUCKS EMPLOYEE VEHICLES PRIMARY COLLECTION YARD ENTRANCE COLLECTION TRUCKS TO PARKING BUS TO STORAGE/MAINTENANCE EMPLOYEE VEHICLES
- E3 PUBLIC RECYCLING CENTER ENTRANCE
- E4 EDUCATION CENTER ENTRANCE
- E5 VISITOR ADMINISTRATION ENTRANCE & EXIT
- E6 TRANSFER STATION COLLECTION TRUCK EXIT
- E7 PRIMARY OPERATION EXIT MRF COLLECTION TRUCKS CURRENTLY TRUCKS PUBLIC VEHICLES FROM TRANSFER STATION EDUCATION CENTER VEHICLES
- E8 SECONDARY OPERATION EXIT EMPLOYEE VEHICLES PRIMARY COLLECTION YARD EXIT COLLECTION TRUCKS FROM PARKING BUS FROM STORAGE/MAINTENANCE EMPLOYEE VEHICLES



## SHOREWAY ENVIRONMENTAL CENTER

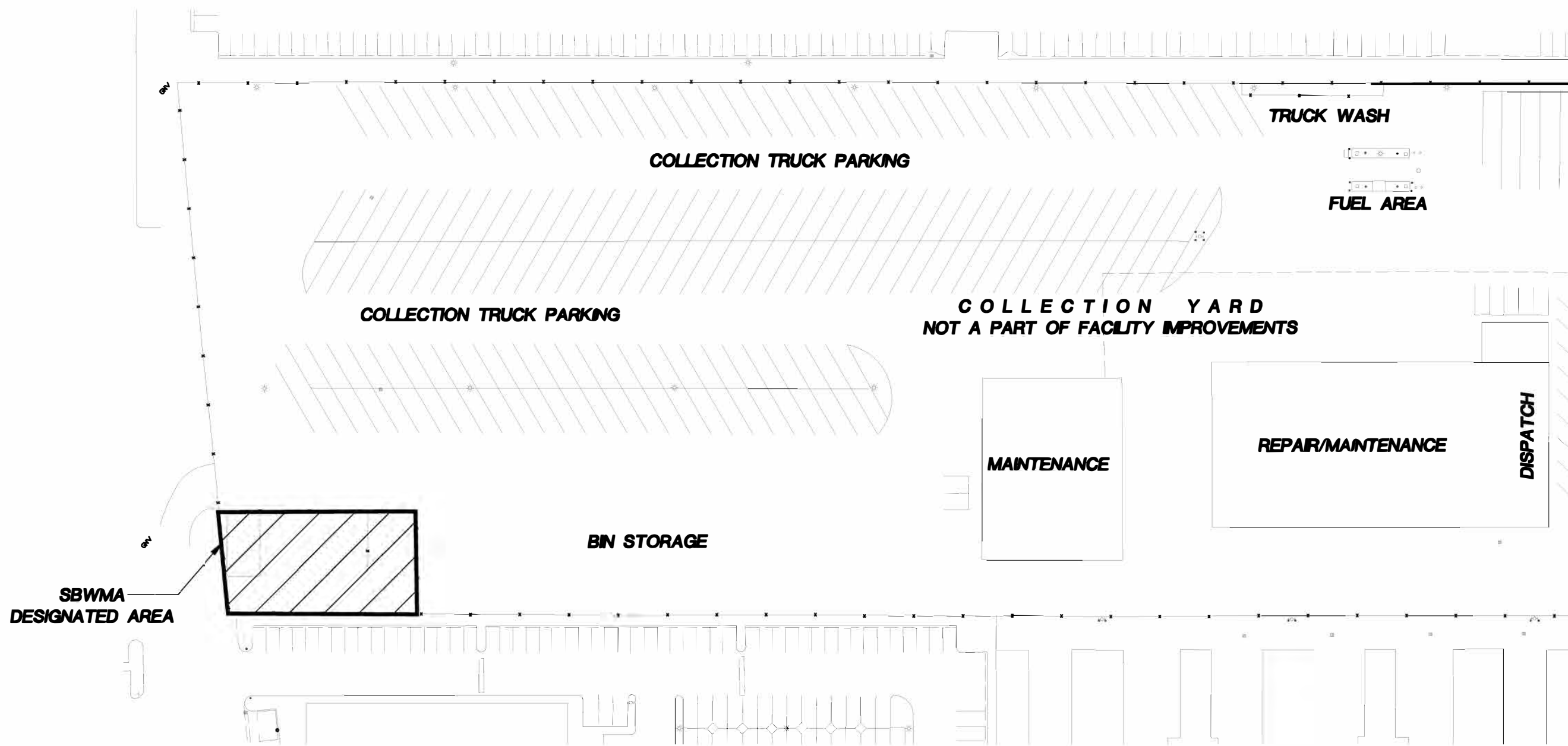
### OVERALL SERVICE SITE PLAN

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
225 - 333 SHOREWAY ROAD SAN CARLOS, CALIFORNIA

ARCHITECTS ENGINEERS PLANNERS  
JOB # 3880 TASK 5  
© COPYRIGHT 2009

13 JULY 2009

# EXHIBIT A



TRUE NORTH REFERENCE NORTH  
SCALE: 1"=60'-0"

## SHOREWAY ENIRONMENTAL CENTER

SBWMA DETAIL



07 JULY 2009



November 10, 2020

Mr. Michael J. Sangiacomo, President & CEO  
Recology San Mateo County  
50 California St 24th floor  
San Francisco, CA 94111

Sent via email to: [mkelly@recology.com](mailto:mkelly@recology.com)

RE: SIX MONTH EXTENSION OF SHOREWAY CENTER LICENSE AGREEMENT

Dear Mr. Sangiacomo:

The Shoreway Center License Agreement, which enables Recology to operate on South Bayside Waste Management Authority's (SBWMA) Shoreway property in connection with its franchise obligations to SBWMA member agencies, is due to expire on December 31, 2020, "unless previously extended by both parties."

We would like to extend the License Agreement until June 30, 2021, to enable Recology to continue utilizing the site to perform its franchise obligations while SBWMA and Recology finalize terms for an updated License Agreement which will run with the restated franchise agreements, until December 31, 2035.

Approval of the six-month extension will be considered by the SBWMA Board of Director's at its November 19, 2021 regular meeting. Please sign below indicating your consent to extension, and return this letter to me as soon as possible, so it may be included in the Board meeting packet.

Regards,

Joe LaMariana

The undersigned is authorized and hereby agrees and consents, on behalf of Recology San Mateo County, to a six month extension of that certain agreement entitled "Shoreway Center License Agreement," entered into as of January 1, 2011. The Agreement will continue in effect until June 30, 2021.

*Mike Sangiacomo* \_\_\_\_\_  
MICHAEL J. SANGIACOMO, President & CEO

Date: 11/11/2020 | 3:29 PM PST

*Cary Chen* \_\_\_\_\_  
CARY CHEN, Corporate Secretary

Date: 11/11/2020 | 5:57 PM PST

610 Elm Street, Suite 202 | P: 650-802-3500 | RethinkWaste.org  
San Carlos, CA 94070 | F: 650-802-3501

MEMBER AGENCIES: Town of Atherton • City of Belmont • City of Burlingame • City of East Palo Alto • City of Foster City • Town of Hillsborough  
City of Menlo Park • City of Redwood City • City of San Carlos • City of San Mateo • County of San Mateo • West Bay Sanitary District

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Hilary Gans, Senior Engineer and Operations Manager  
**Date:** November 19, 2020 Board of Directors Meeting  
**Subject:** Resolution Approving a Not-to-Exceed Expenditure of \$198,983 for the MRF OCC Screen Refurbishment

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### Recommendation:

Staff recommends that the Board of Directors approve Resolution No. 2020-44 approving a not-to-exceed expenditure of \$198,983 for the MRF OCC screen refurbishments.

### Analysis

The MRF sort system contains two large cardboard (OCC) screens that sort large cardboard from the commercial and residential materials passing down the sort lines. In addition to sorting cardboard, these two screens perform critical role of initial size separation of all the materials fed into the sort line. These two screens contain rows of shafts with metal/rubber disks that sift the recyclable materials. These shafts and disks have not been replaced since the original equipment installation in 2010. Due to their age and wear, are no longer able to perform their material sorting/sizing function with precision, which is resulting in mixing of material types and cross-contamination of commodity grades.

BHS is in the process of completing final punch list item relating to the MRF Phase I installation and the system performance test. SBR and BHS are intending to refurbish the OCC screen prior to the performance test so that the sort system is functioning at peak performance. Towards that end, all necessary parts and an installation team are being assembled to perform the needed work.

SBR is completing this OCC screen refurbishment process under the work order process at the direction of SBWMA staff. The cos for the work includes \$153,103 in parts and \$55,880 (estimate) in labor for a total cost of \$208,984. Per the Operations Agreement, SBR is to pay the first \$10,000 bringing the total cost to the SBWMA to \$198,983 (see Table 1 on the following page for detail)

**Table 1. MRF OCC SCREEN DISC REFURBISHMENT PROJECT**

<b>Work Order</b>	<b>Item</b>	<b>Description</b>	<b>Cost</b>
274	44-A Deck	7-shafts with pre-loaded discs	\$ 49,263
	Labor	Titus Installation Labor	\$ 13,790
	44-B Deck	7-shafts with pre-loaded discs	\$ 32,919
	44-B Deck	Hardware for screen shafts	\$ 6,653
	<i>Labor</i>	<i>Titus Installation Labor (Estimate)</i>	<i>\$ 15,000</i>
	46-B Deck	2-Shafts with pre-loaded discs	\$ 8,922
	46-B Deck	Hardware for screen shafts	\$ 1,902
	<i>Labor</i>	<i>Titus Installation Labor (Estimate)</i>	<i>\$ 6,000</i>
267	44-C-Deck	Rubber Tri-Discs, Jackets, Parts	\$ 23,719
	Labor	Titus Installation Labor	\$ 6,090
268	46 Screen	Rubber Tri-Discs, Jackets, Parts	\$ 29,724
	<i>Labor</i>	<i>Titus Installation Labor (Estimate)</i>	<i>\$ 15,000</i>
		<b>Subtotal</b>	<b>\$ 209,430</b>
	SBR	SBR Contribution to Repair Cost	\$ (10,000)
		<b>Grand Total (Estimate)</b>	<b>\$ 198,983</b>

**Background**

The MRF OCC screens have not been refurbished since the original MRF equipment installation in 2010. The screen contains shafts and disks that are considered wear parts and that need to be replaced periodically.

**Fiscal Impact**

The 2020 budget contains \$596,800 in capital Equipment Replacement Reserve that is held specifically for MRF Sort System projects such as the OCC screen refurbishment. It is expected that the OCC screen refurbishment will last several years and will not need further investment during the fiscal year.

**Attachments:**

**Resolution 2020-44** Approving a Not-to-Exceed Expenditure of \$ 198,983 for the OCC Screen MRF OCC Screen Refurbishment.

Exhibit A - Quotes from BHS and Titus for OCC Screen Refurbishment.



## RESOLUTION NO. 2020-44

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A NOT-TO-EXCEED EXPENDITURE OF \$198,983 FOR THE MRF OCC SCREEN REFURBISHMENT.

**WHEREAS**, South Bayside Waste Management Authority (SBWMA) owns the Shoreway Environmental Center and is responsible for the equipment and facilities upkeep; and

**WHEREAS**, the MRF sort system OCC Screens are essential for the proper operations of the Shoreway MRF and are in need of refurbishment; and

**WHEREAS**, the Operations Agreement between the SBWMA and SBR directs the contractor to perform facility repairs and there is a contractual Work Order process established between these parties that provides guidelines for such repairs; and

**WHEREAS**, BHS is the only supplier of the needed parts and Titus is the onsite installer for BHS equipment.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a Not-to-Exceed Expenditure of \$198,983 to refurbish the MRF OCC screens.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 19<sup>th</sup> day of November 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. 2020-44 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 19, 2020.

ATTEST:

\_\_\_\_\_  
Jess E (Jay) Benton, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Clerk of the Board





What's next.

Invoice No.	Cstmr No.	SRO No.	PO Number
1906045	18574	SP1825-158	884497
Invoice Date	Due Date	SHIP VIA	F.O.B.
8/28/2020	9/27/2020	OLD DOMINION	EUGENE, OR

To: SOUTH BAY RECYCLING LLC  
 610 ELM STREET SUITE 202  
 SAN CARLOS, CA 94070 USA

Ship To: SOUTH BAY RECYCLING/RECOLOGY  
 333 SHOREWAY ROAD  
 SAN CARLOS, CA 94070 USA

Line	Qty.	Item / Description	Amount
1	14	000-0005 BEARING: DODGE, P2B-SCM-207	3,160.08
2	8	000-1267-0007_A CHAIN: ROLLER 45RC120 W/O&C LINK	960.64
3	2	Shaft OCC-98 IMPACT SHAFTS. BUILT WITH NEW IFO OF 3x9 I. READY TO INSTALL. 1825-44 POSITION 1 AND 2. DECK A	12,724.63
4	5	Shaft OCC-98 SHAFTS. BUILT WITH NEW IFO OF 3 X 9. READY TO INSTALL. 1825-44 POSITION 3-7. POSITION #5 IS A DRIVE	23,912.98
5	7	000-1268-0014_A SPROCKET, SP TP DS120A17H X Q2 x 207, TD	3,026.80
6	.	HANDLING	234.40
7		SALES TAX - SAN CARLOS CALIFORNIA - 9.250%	4,071.81
8		FREIGHT	1,172.00

PNC BANK  
 ABA: 031207607  
 SWIFT PNCCUS33  
 ACCOUNT NO: 8026430873  
 ACCOUNT NAME: EMERGING ACQUISITIONS LLC dba BULK HANDLING SYSTEMS

Please Pay: USD 49,263.34

Thank you! We appreciate your business.

Bulk Handling Systems | 3592 W 5th Avenue | Eugene OR 97402 | 541-485-0999 | bulkhandlingsystems.com

**Titus Industrial Supply**  
 696 San Ramon Valley Blvd. Suite 373  
 Danville, CA 94526  
 Ph. (909) 357-3156

# Invoice

Invoice #	TP-6585
Date	8/27/2020

Bill To

Ship To

South Bay Recycling  
 245 N. 1st Street  
 Dixon, CA 95620

South Bay Recycling  
 333 Shoreway Rd  
 San Carlos, CA 94070

Thank you for your business.

Cust PO	Titus PO	Terms	Due Date	Ship Date
887234		Net 30	9/26/2020	8/27/2020
Quantity	Description	Rate	Amount	
1	Replace Full Disc Shaft into OCC Screen located on site at SBR Total number of shafts to be replaced (7) EA	0.00	0.00	
	This will take a Titus Team (2) EA - 12 hour shifts consisting of (4) Titus Team Members: Rate as quoted per Michael Centers: \$115 per hours/per man	11,040.00	11,040.00	
1	Relocation Fee	1,500.00	1,500.00	
1	Equipment Rental (1) EA 12K Extended Forklift	1,250.00	1,250.00	
<b>Subtotal</b>				<b>Balance Due</b>
\$13,790.00	Sales Tax (8.75%)	Total	Payments/Credits	\$13,790.00
	\$0.00	\$13,790.00	\$0.00	

Please note we have a new remittance address.  
 Titus Maintenance & Installation Service  
 696 San Ramon Valley Blvd. Suite 373  
 Danville, CA 94526



**Priority Service Proposal**

Date: 10/2/2020  
 Expiration Date: 11/1/2020

Customer: SOUTH BAY RECYCLING LLC  
 610 ELM STREET SUITE 202  
 SAN CARLOS, CA 94070

Requestor: Dwight Herring  
 Email: DHerring@sbrecycling.net

Proposal No. PSQ1825227  
 Customer No. 18574  
 Prepared By: JohnC  
 Email: johnc@bhsequip.com

Ship To: SOUTH BAY RECYCLING/RECOLOGY  
 333 SHOREWAY ROAD  
 SAN CARLOS, CA 94070

Contact No. 650.315.1267

Line No.	Item #	Description	Equipment #	Qty	U/M	Unit Price	Ext. Price
2	Shaft	(7) Seven OCC shafts built as original, complete ready to install. Job# 1825, Eq# 44, Shaft position 8 & 14.	44.0	7	EA	\$4,702.80	\$32,919.57
<i>Deck 13</i>							
6	Shaft	(2) Two OCC shaft built as original, complete ready to install. Job# 1825, Eq# 46, Shaft Position #12 & 13.	46.0	2	EA	\$4,461.33	\$8,922.66
<i>Deck B</i> <i>2 first shafts</i> <i>which Deck?</i> <i>46.0 Comm</i> <i>copy together</i>							
<b>Total</b>							<b>\$41,842.23</b>
<small>Terms: Net 30 Days          All prices in US Dollars</small>							

**Order Notes**

All customer orders require a purchase order.

Please confirm this order by signing and emailing to parts@bhsequip.com or faxing all pages to 1.541.485.6341.

Prices exclude freight, handling, duties, and taxes unless otherwise noted.

Freight estimates are estimates only; freight will be billed at actual.

Any discrepancies, missing, broken or incorrect parts must be addressed with BHS within 30 days of receipt of goods.

Signed \_\_\_\_\_ Date \_\_\_\_\_ PO No. \_\_\_\_\_



**Priority Service Proposal**

Date: 6/23/2020  
Expiration Date: 7/23/2020

Customer: SOUTH BAY RECYCLING LLC  
610 ELM STREET SUITE 202  
SAN CARLOS, CA 94070

Requestor: Paul Keck  
Email: PKeck@sbrecycling.net

Proposal No. PSQ1825234  
Customer No. 18574  
Prepared By: EricL  
Email: ericl@bhsequip.com

Ship To: SOUTH BAY RECYCLING/RECOLOGY  
333 SHOREWAY ROAD  
SAN CARLOS, CA 94070

Contact No. 650.520.5327

Line No.	Item #	Description	Equipment #	Qty	U/M	Unit Price	Ext. Price
1	A1-762-RB	RUBBER TRI-DISC: BHS #A1-762-RB	44	79	EA	\$190.50	\$15,049.50
2	000-0950_A	1/4"-20 X 70MM L, BINDING SCREWS FOR WOO	44	1343	EA	\$1.25	\$1,678.75
3	000-0951_A	1/4"-20 X 17MM L, BRONZE-PLTD STL CAP NU	44	1343	EA	\$1.00	\$1,343.00
4	400-1930-0006_A	12" OCC LOWER JACKET 3/16	44	158	EA	\$17.50	\$2,765.00
5	400-1929-0006_A	12" OCC UPPER JACKET 3/16	44	158	EA	\$18.25	\$2,883.50

**Total \$23,719.75**

Terms: Net 30 Days  
All prices in US Dollars

**Order Notes**

All customer orders require a purchase order.

Please confirm this order by signing and emailing to parts@bhsequip.com or faxing all pages to 1.541.485.6341.

Prices exclude freight, handling, duties, and taxes unless otherwise noted.

Freight estimates are estimates only; freight will be billed at actual.

Any discrepancies, missing, broken or incorrect parts must be addressed with BHS within 30 days of receipt of goods.

Signed \_\_\_\_\_ Date \_\_\_\_\_ PO No. \_\_\_\_\_

?  
WAS THIS  
CANCELLED

**Titus Maintenance & Installation Services**

696 San Ramon Valley Blvd. Suite 373  
 Danville, CA 94526  
 Ph. (909) 357-3156

**Invoice**

Invoice #	TS5522
Date	9/11/2020

Bill To

South Bay Recycling  
 245 N. 1st Street  
 Dixon, CA 95620

Ship To

South Bay Recycling  
 333 Shoreway Rd  
 San Carlos, CA 94070

Thank you for your business.

Project	Cust PO	Terms	Due Date	Ship Date
OCC SCREEN	896745	Net 10	9/21/2020	9/11/2020
Quantity	Description	Rate	Amount	
58.0	Work Performed on 08/21/20 - 08/23/20 *Changed the shaft on the OCC Screen #44A *Removed the old and installed the new *Installed the new chains and new motors 2 techs x 29 hours each	105.00	6,090.00	
<i>Payment Posted!</i>				
Subtotal	Tax ( 8.75%)	Total	Payments/Credits	Balance Due
\$6,090.00	\$0.00	\$6,090.00	\$0.00	\$6,090.00

Please note we have a new remittance address.  
 Titus Maintenance & Installation Service  
 696 San Ramon Valley Blvd, Suite 373  
 Danville, CA 94526



**Priority Service Proposal**

Date: 6/26/2020  
Expiration Date: 7/26/2020

Customer: SOUTH BAY RECYCLING LLC  
610 ELM STREET SUITE 202  
SAN CARLOS, CA 94070

Requestor: Paul Keck  
Email: PKeck@sbrecycling.net

Proposal No. PSQ1825237  
Customer No. 18574  
Prepared By: EricL  
Email: ericl@bhsequip.com

Ship To: SOUTH BAY RECYCLING/RECOLOGY  
333 SHOREWAY ROAD  
SAN CARLOS, CA 94070

Contact No. 650.520.5327

Line No.	Item #	Description	Equipment #	Qty	U/M	Unit Price	Ext. Price
1	A1-762-RB	RUBBER TRI-DISC: BHS #A1-762-RB	46	99	EA	\$190.50	\$18,859.50
2	400-1930-0006_A	12" OCC LOWER JACKET 3/16	46	198	EA	\$17.50	\$3,465.00
3	400-1929-0006_A	12" OCC UPPER JACKET 3/16	46	198	EA	\$18.25	\$3,613.50
4	000-0950_A	1/4"-20 X 70MM L, BINDING SCREWS FOR WOO	46	1683	EA	\$1.25	\$2,103.75
5	000-0951_A	1/4"-20 X 17MM L, BRONZE-PLTD STL CAP NU	46	1683	EA	\$1.00	\$1,683.00

**Total \$29,724.75**

Terms: Net 30 Days  
All prices in US Dollars

**Order Notes**

All customer orders require a purchase order.

Please confirm this order by signing and emailing to parts@bhsequip.com or faxing all pages to 1.541.485.6341.

Prices exclude freight, handling, duties, and taxes unless otherwise noted.

Freight estimates are estimates only; freight will be billed at actual.

Any discrepancies, missing, broken or incorrect parts must be addressed with BHS within 30 days of receipt of goods.

Signed \_\_\_\_\_ Date \_\_\_\_\_ PO No. \_\_\_\_\_

*IN PROCESS of Installation  
Commercial Deck A/B*

## STAFF REPORT

**To:** SBWMA Board Members  
**From:** John Mangini, Senior Finance Manager  
**Date:** November 19, 2020 Board of Directors Meeting  
**Subject:** Approval of Quarterly Investment Report for the Quarter Ended September 30, 2020

**Recommendation**

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

**Analysis**

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of September 30, 2020, the investment portfolio was in compliance with the Investment Policy. The portfolio contains sufficient liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

**Fiscal Impact**

The attached Investment Portfolio Summary indicates that as of September 30, 2020, funds in the amount of \$30,725,532 were invested, producing a weighted average yield of 0.62%.

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

	<b>Qtr Ended 6/30/20</b>	<b>Qtr Ended 9/30/20</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 32,297,852	\$ 30,725,532	\$ (1,572,320)
Weighted Average Return	0.84%	0.62%	-0.22%
Interest/Dividends Earnings	\$ 81,086	\$ 51,165	\$ (29,921)

The total quarter-end portfolio balance decreased by \$1,572,320 when compared with the previous quarter. The decrease was due to transfers from the investment portfolio to the Wells Fargo operating account (\$1.1 million), as well as drawdowns of bond proceeds, which were used to reimburse the Authority for project costs. As a result of the decreased portfolio balance and lower rates of return, total interest and dividend earnings were lower than the previous quarter.

A table comparison of the portfolio components is provided below:

	<b>6/30/2020 Balance</b>	<b>% of Total</b>	<b>9/30/2020 Balance</b>	<b>% of Total</b>	<b>Change over Prior Quarter</b>
SM County Pool	\$ 7,374,118	23%	\$ 7,403,715	24%	\$ 29,597
LAIF	9,491,582	30%	8,426,617	27%	(1,064,965)
Bond Accounts	15,432,152	48%	14,895,200	48%	(536,952)
<b>Total Portfolio</b>	<b>\$ 32,297,852</b>	<b>100%</b>	<b>\$ 30,725,532</b>	<b>100%</b>	<b>\$ (1,572,320)</b>

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

Due to arbitrage restrictions, bond investments are not included in our Local Agency Investment Fund (LAIF) rate or investment pool comparison. As of September 30, 2020, the bond cost of issuance and project accounts of approximately \$14.9 million were invested with the trustee in short-term investments.

As of September 30, 2020, investments in the County Investment Pool totaled 46.8% of SBWMA's funds available for investment pools (see Attachment 1). The percentage is within the range specified by the SBWMA Board.

The weighted average yield of the portfolio in the quarter excluding the bond proceeds was 1.18%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending September 30, 2020, was 0.84%. The San Mateo County Pool average yield for the quarter was 1.56%.

Derek Rampone, the Financial Services Manager of the City of Redwood City, has reviewed this report before presentation to the Board.

**Attachments**

- Attachment A - Summary of All Investments for Quarter Ending September 30, 2020
- Attachment B - Investment Portfolio 9/30/2020 - Chart
- Attachment C - Historical Summary of Investment Portfolio

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

**SUMMARY OF ALL INVESTMENTS**  
For Quarter Ending September 30, 2020

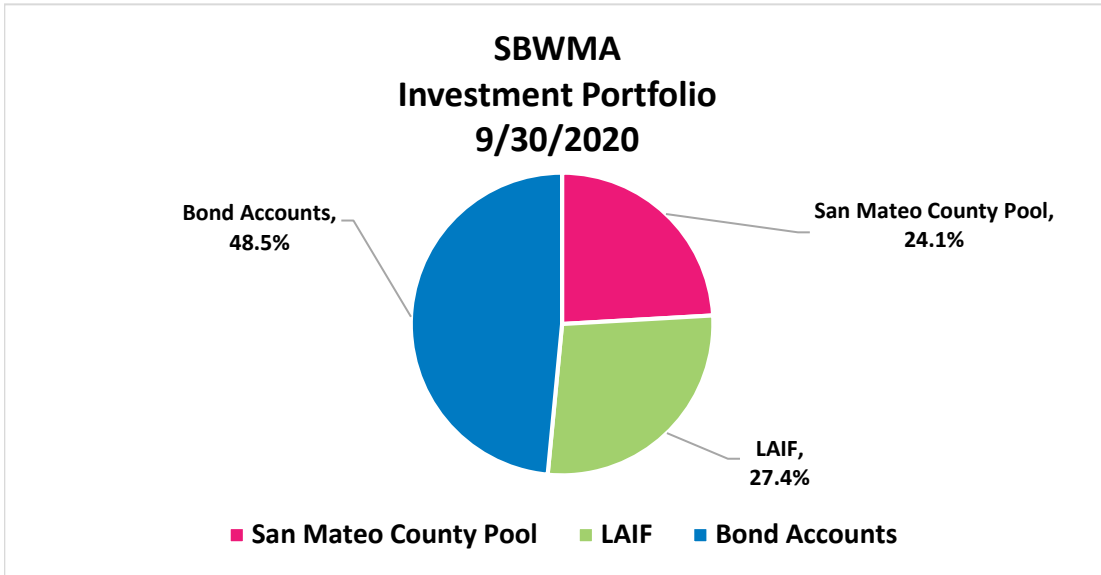
Category	Rate of Return	Historical Cost	% of Portfolio	Market Value*	Interest/Dividend Earned
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	1.56%	\$ 7,403,715	46.8%	\$ 7,538,063	\$ 29,596
Local Agency Investment Fund (LAIF)	0.84%	8,426,617	53.2%	\$ 8,461,289	18,527
	Weighted Average				
<b>Total - Investments</b>	<b>1.18%</b>	<b>15,830,332</b>	<b>100.0%</b>	<b>15,999,352</b>	<b>48,123</b>
	Rate of Return				
<b>Bond Accounts - Cash with Fiscal Agents</b>					
BNY - 2009A Reserve Fund	0.00%	-		-	-
BNY - 2009A Payment Fund	0.00%	-		-	-
BNY - 2019AB Payment Fund	0.00%	17		17	17
BNY - 2019AB Refunding Costs Fund	0.00%	1		1	5
BNY - 2019AB Refunding Project Fund	0.02%	14,895,182		14,895,182	3,020
<b>Total - Bond Accounts</b>		<b>14,895,200</b>		<b>14,895,200</b>	<b>3,042</b>
	Weighted Average				
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>0.62%</b>	<b>\$ 30,725,532</b>		<b>\$ 30,894,552</b>	<b>\$ 51,165</b>
<b>Total Interest/Dividend Earned This Quarter</b>					<b>51,165</b>
<b>Total Interest/Dividend Earned Fiscal Year-to-Date</b>					<b>51,165</b>

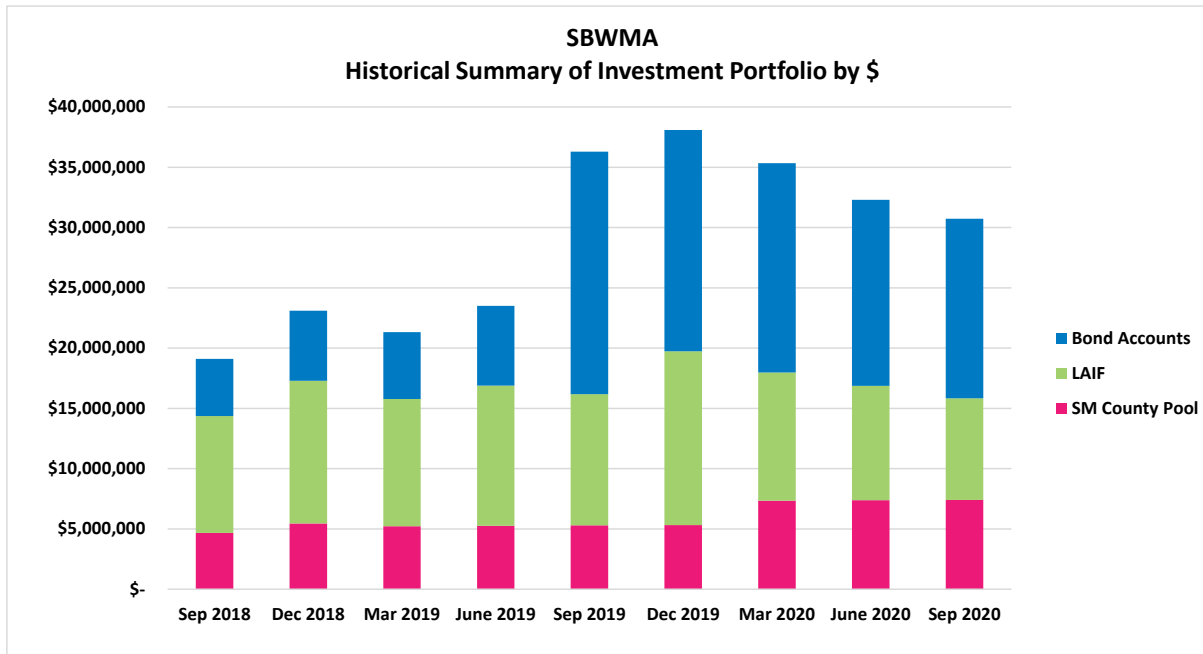
**Note: SBWMA Board approved the following investment mix at its January 22, 2015 meeting:**

LAIF - 50% to 70%

COPOOL - 30% to 50%

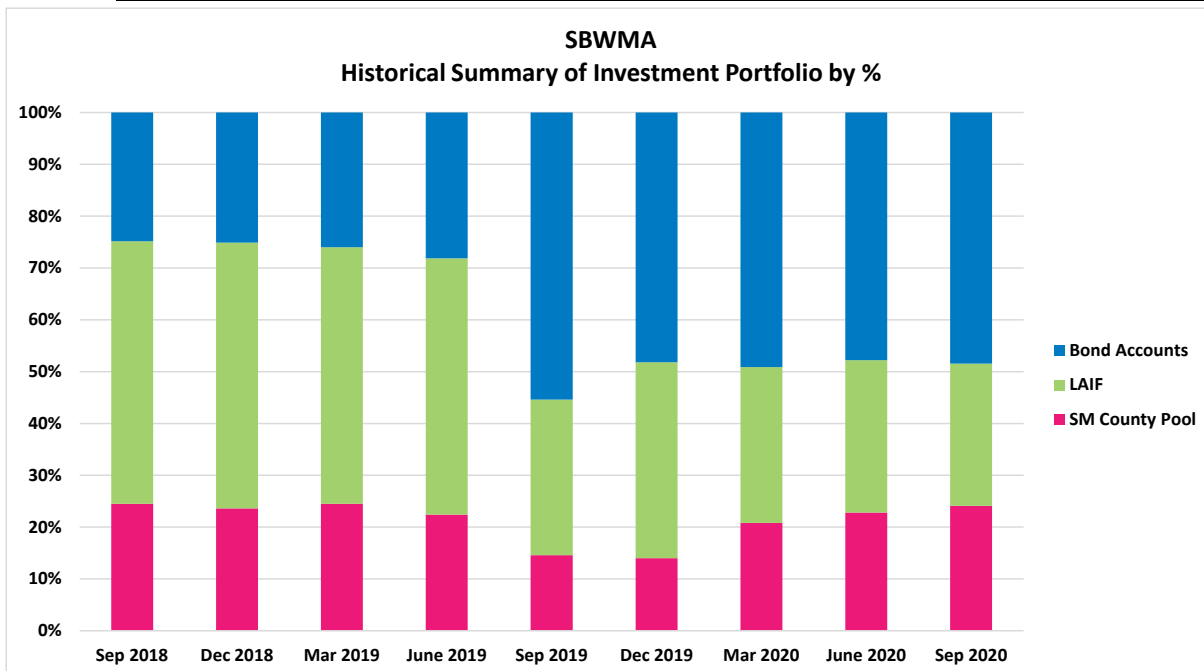
\*Difference in value between Historical Cost and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools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





**South Bayside Waste Management Authority Portfolio**

	Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019	Dec 2019	Mar 2020	June 2020	Sep 2020
SM County Pool	4,677,171	5,453,401	5,230,212	5,261,667	5,292,948	5,321,963	7,347,186	7,374,118	7,403,715
LAIF	9,683,992	11,840,565	10,553,938	11,623,054	10,891,545	14,412,065	10,630,374	9,491,582	8,426,617
Bond Accounts	4,742,350	5,798,255	5,547,155	6,610,869	20,100,689	18,354,509	17,358,643	15,432,152	14,895,200
<b>Grand Total</b>	<b>\$19,103,513</b>	<b>\$23,092,221</b>	<b>\$21,331,305</b>	<b>\$23,495,590</b>	<b>\$36,285,182</b>	<b>\$38,088,537</b>	<b>\$35,336,203</b>	<b>\$32,297,852</b>	<b>\$30,725,532</b>



	Sep 2018	Dec 2018	Mar 2019	June 2019	Sep 2019	Dec 2019	Mar 2020	June 2020	Sep 2020
SM County Pool	24.5%	23.6%	24.5%	22.4%	14.6%	14.0%	20.8%	22.8%	24.1%
LAIF	50.7%	51.3%	49.5%	49.5%	30.0%	37.8%	30.1%	29.4%	27.4%
Bond Accounts	24.8%	25.1%	26.0%	28.1%	55.4%	48.2%	49.1%	47.8%	48.5%
<b>Grand Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>