



CONSENT CALENDAR

DRAFT MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
January 28, 2021– 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
Belmont	X		Redwood City	X	
Burlingame	X		San Carlos	X	X(3:05PM)
East Palo Alto	X	X(3:07)	San Mateo	X	
Foster City	X		County of San Mateo	X	
Hillsborough	X(arrived 3:14PM)		West Bay Sanitary District	X	
Menlo Park	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.**

1. Doug Silverstein of Circular San Mateo County addressed the board on the disposable food serviceware ordinance that has been passed by The County, Belmont and Burlingame, and encouraged the other member agencies that have not passed the ordinance in their jurisdiction to do so. It bans food service business from using plastics, and only allows for compostable food ware products to be used.

Member Bonilla added that the City of San Mateo approved this ordinance at their last Council meeting.

2. Mike Kelly General Manager of Recology updated the Board on Recology's cart delivery noting that there has been comments on Nextdoor. He noted that the cart supplier has been heavily impacted by COVID-19 both in terms of supply chain issues and staffing issues which has slowed production, and orders that were taking 6-weeks are now taking 12 to 14 weeks. Recology is working hard to get that inventory. On January 18, Atherton cart retrieval began, which will increase inventory once they are cleaned, additionally they are offering alternative sizes to customers. Christmas tree collections are winding down this week. Recology

did have multiple drivers require periods of quarantine, but only a few contracted COVID, of those that did get COVID most are back and two are set to return next week.

3. Executive Director's Report

Executive Director Joe La Mariana made the following announcements:

- He responded to Mike Kelly's comments noting that Recology is in constant contact with him on these COVID-related issues as well as SBR, and both organizations have done a phenomenal job during these challenging times.
- Julia Au has been promoted to a Program Manager III which means she joins the senior management team at the Agency. Her responsibilities include outreach, education, and compliance like the SB1383 initiatives.
- In June and July SBWMA will be working with the Town of Atherton one last time to make sure they properly get their data to fill out their 2020 Cal Recycle Electronic Annual Report.
- Verlan insurance who was our fire insurance provider at the time of the 2016 Shoreway MRF fire, took legal action against SBR's insurance provider and BHS' (the MRF's equipment manufacturer) insurance provider which just resulted in a settlement of \$4M. The SBWMA was not involved in the discussion or decision, but the settlement may mean more positive response the next time the Agency does a RFP for insurance quotes in the marketplace.
- The SBWMA staff is working with the staff at Silicon Valley Clean Water (SVCW), they have a \$1B capital improvement project to upgrade their plant. There is a component of that workplan that involves replacing sewage pipe that happens to go down Shoreway road, and right in front of the Shoreway facility. The staff at SVCW was very responsive to our concerns and they have now presented a second plan that will be inconvenient, but it is far better for Shoreway operations than the first plan. He thanked SVCW staff for listening to the SBWMA's concerns. He added that over the next two years there will be major road work and closures on portions of Shoreway road that will affect SBWMA operations and site access.
- The February Board meeting will be cancelled and there will be a Zero Waste Committee instead.
- Chair Aguirre has suggested an annual strategic planning Board retreat. Staff is proposing to have it in lieu of the April Board meeting from 1:30 to 5PM. In future years staff will plan to have this retreat in January or February.
- The SBWMA/SBR operations agreement has been extended through December 31, 2023. We have no contractual ability to extend the current contract past that date, therefore, we will conduct a RFP for this work. Staff has currently conducted an RFQ for technical assistance to the Operations Agreement RFP.
- Lastly, he welcomed the three new Board Members; Council Member Jon Froomin representing Foster City, Council Member Al Roysse representing Hillsborough, and Council Member Cecilia Taylor representing Menlo Park.

Member Bonilla asked for confirmation that there will be a Zero Waste Committee meeting on February 25 at 2PM instead of a Board Meeting, so the February Board meeting is cancelled.

Member Brownrigg thanked Interim Chair Aguirre for the initiative to suggest a Board retreat.

Chair Aguirre congratulated Julia, noting that it's not often you see women in leadership roles in this type of organization. Chair Aguirre also noted that she is the Chair at Silicon Valley Clean Water. She noted that, while their capital improvement project will benefit the region, this work will cause a disruption for the SBWMA, but in the long run there is a positive outcome for the community.

4. 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 November 19, 2020, Board of Directors Meeting
- B. Resolution Approving the SBWMA Investment Policy for 2021
- C. Resolution Accepting the FY19/20 Audited Financial Statements
- D. Resolution to Approve the appointment of a Citizen at Large position to the Finance Committee Ex-Officio Board Member Jay Benton

Motion/Second: Brownrigg/Bonilla

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

5. Administration and Finance

- A. Election of Board Officers for 2021

Counsel Savaree gave an overview of the process for electing the 2021 Board Chair and Vice Chair. Interim Chair Aguirre called for nominations.

Member Bonilla nominated Interim Chair Aguirre for Board Chair. Member Brownrigg seconded the nomination.

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

Chair Aguirre called for nominations for Vice Chair.

Member Rak nominated Member Bonilla for Board Vice Chair. Member Groom seconded the nomination.

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

- B. Resolution Approving the SBWMA 2020-2021 Legislative and Regulatory Platform

Staff Au gave an overview of the staff report and the platform that identifies 14 key topic areas.

Member Brownrigg asked if increasing bottle reimbursements or changes to bottle bill rates was embedded in one of the 14 key topic areas.

Staff Au answered that the bottle bill isn't specifically called out because we know that Cal Recycle is working on it, but the bottle bill would fall into the market and economic development topic area in the platform. Member Brownrigg expressed thoughts that the language in the platform regarding the bottle bill was too gentle and thought increasing the reimbursement was really important. He also agreed that extended producer responsibility (EPR) was number one on the list of legislative priorities and asked that if there is time at a future Board meeting the board have a drill down discussion on EPR. He noted that he would like to see the agency's voice grow in Sacramento and specifically regarding EPR and getting behind something that requires much more from producers. He thought this was important to the financial health of the agency as well as climate and planet health.

Member Hurt echoed Member Brownrigg's comments regarding EPR and asked to list specific sectors that are important to the Agency. She also expressed concern about building decarbonization and balancing the right to repair with having to replace, and how that will stream down to consumers, and asked this agency to advocate on a legislative level regarding that balance. She also wanted to add plastics to the future board discussions regarding legislative priorities.

Vice Chair Bonilla commented agreed that EPR is an important missing link in the end of like of products.

Doug Silverstein gave public comment and noted that the legislative platform says to have a stronger voice in Sacramento but doesn't mention local. He reiterated that locally there is a lot we can do versus at the state or even national level. Bans are complete source reduction and can be done locally, and there is a lot of political will from the local citizens to tackle specifically plastics packaging.

Executive Director La Mariana noted that staff knows that we have a very progressive minded community on these issues and these comments empower our staff to continue the path in this regard. He agreed that acting locally was imperative, but when taking on EPR and manufacturers it is imperative to go to the highest level. He noted that the SBWMA has an initiated an informal statewide work group of like-minded public agencies to create an even larger voice on these issues. This new work group is called Zero Waste Now and there is representation from as far north as Eureka to the Mojave Desert in the south and all around the greater Bay Area.

Member Rak suggested as part of the Board retreat a couple of board members could form a legislative subcommittee to help support and work on these issues.

Chair Aguirre noted that she feels very strongly about a legislative committee, and had mentioned that to Executive Director La Mariana. She asked Board Members to send her an email if they were interested in being on the Legislative Committee and that group can help put the retreat together.

Motion to approve the 2020-2021 Legislative and Regulatory Platform

Motion/Second: Bonilla/Rak

Roll call vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

6. Collection and Recycling Program Support and Compliance

- A. Resolution Recommending Amendment One Modifications to the Member Agency Franchise Agreements with Recology San Mateo County to add a 4th route to the Bulky Item Collection and Abandoned Waste Collection program for an annual operating cost not-to-exceed \$631,371 in year one with contractually allowable adjustments in future rate years

Executive Director La Mariana gave an overview of the staff report. He noted that this is the 4th time this issue has come to the board, and staff is recommending expanding the Bulky Item Collection (BIC) and Abandoned Waste (AW) collection program to meet the current demands of the program which is currently exceeding capacity. The recommendation is to add a 4th BIC/AW collection route, which requires 3 additional staff and two additional trucks, and the costs would be prorated out to the 11 member agencies through the annual contractor's compensation application process. Staff is not recommending the other 2 proposals that have been a part of amendment one discussions in the past--both the storm water, and the electronic voucher pilot are not being recommended at this time.

Mike Kelly General Manager of Recology noted that the staff report states that the BIC program is at 90% capacity which was the case when they first started looking at expanding the program in 2019. It is a program that becomes more popular every year, now the weekly average of BICs is 182 per week with a high one week in July of 212. Currently the capacity is 180, so Recology is at maximum capacity.

Member Froomin commented that he liked the idea of the voucher and thought a 3rd party administrator for that program was too costly but thought the program could be done with less cost than presented, and thought it was still worth considering.

Mike Kelly answered that Recology and SBR are two separate companies, so SBR would not have access to Recology's database to identify which customers are coming in and which of their two BIC's they are using. Recology has concerns about an emailed voucher being duplicated and the BIC not being shown as used from the customer's account. The vouchers need to be validated and not duplicatable, which is why the 3rd party vendor is needed.

Executive Director La Mariana explained that the BIC program is an on-demand scheduled appointment by the resident. The AW program is handled by the same exact crews and trucks that collect BIC's first and then collect abandoned waste. He noted that abandoned waste is collected through a system where Recology is typically notified by each member agency's public works staff or a designated public system of the incident, then Recology collects it and is reimbursed for their labor and equipment costs through that notification system. The drivers are not driving around the neighborhoods looking for abandoned waste.

Motion/Second: Dehn/Froomin

Roll Call Vote: 10-0-0-1

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

7. Shoreway Operations and Contract Management

- A. Resolution Approving Contingency Measures to Dispose of Paper in Case of Shipping Emergency

Staff Gans gave an overview of the staff report, noting that recycling is reliant on overseas markets, and therefore reliant on overseas shipping container services as well. Currently, the shipping lines are too busy shipping consumer products that have a high value and make them a lot of money from China, to take the time to pick up recyclables to return to other countries other than China that are now filling the need for paper recycling. This problem is tied to international logistics and the consumer products industry and is affecting everyone.

Dan Domonske, Vice President of SBR, added that this problem should be temporary, and should be resolved in the next 2-4 months. They have been storing some SBWMA material outside, in compliance with the facility operating permit, and the action before you today is approval to dispose of recyclable materials on an emergency contingency basis, that hopefully won't need to happen. He offered the option of potentially transporting recyclable materials to the Potential Industries (SBR's part owner) facility in Long Beach California to store it there when storage capacity runs out at Shoreway rather than taking recyclables to the landfill.

Staff Gans noted that this offer isn't in the staff report, because staff didn't know about the offer until the staff report was written. He also added that the Potential Industries' 15-acre facility is a recycling-only facility, which is the same size as Shoreway, but there is only about an acre worth of storage at Shoreway, and that storage space is only available because of COVID, because Recology's and SBR's administrative staff are currently working remotely. This means that one of the employee parking lots is available for storage. He added that there are consistent logistic hang ups, which cause the need to hold on to recyclables, and there is no available space to store it which creates a problem.

Member Brownrigg thanked Potential Industries for offering this hybrid solution. He asked if part of the reluctance of shippers to take this material was because China has been turning it away, and if so, does the fact that the SBWMA now sorts to a higher level of quality help it to earn the spot.

Staff Gans answered that the logistics used to be simple. Paper is the biggest export commodity from California and New York, so it is a huge return commodity, and it helped pay for the ships' return trip to China. When China stopped accepting paper that return link was broken, and the ships now needed to make a triangle to another Southeast Asian country to unload the paper. That triangle takes extra time, and they are now reacting to that extra time, by not taking material on the return trip, it has nothing to do with quality.

Member Royce now present at 3:14PM

Member Brownrigg commented that the reason the Board made the investment in upgrading the MRF was in the hope of meeting China's standard, and therefore earn the return trip. So, he asked to have a conversation about that in the future. He also asked if staff has worked to find US opportunities for paper.

Dan Domonoske answered that the final change in Chinese law was a 100% ban on all recyclables across all waste streams going to China. He noted that SBR does make high-quality fiber recycling, and that there is a market for that quality throughout Southeast Asia, but it's the steamship industry refusing to take the commodity that is creating this temporary problem. Regarding domestic markets, most of the mill capacity is coming up in the Mid-West and North East, and there continues to be closures of paper mills in the Western United States, but SBR will continue to look for and try to find domestic options.

Member Hurt asked if there was any ability to force them to take the material, and what is the criteria that is going to force the Agency to have to dispose of recyclables.

Staff Gans answered that, so far no recyclables have gone to the landfill. Currently, there is movement of these materials, but it's much slower than normal. This a space issue, there are irregular shipments causing a backup, and there are only 8 days' worth of storage at Shoreway, and when that fills up Shoreway is out of space. And the SBWMA doesn't have any ability for recourse with the shipping companies. The purpose of this pre-approval is that, if there is no more storage at Shoreway, then there exists the logistical ability to take it to landfill. He added that Dan Domonoske's offer to store materials in Southern California has logistical issues too, namely trucking costs to Long Beach, but still is economically and environmentally better than landfilling.

Vice Chair Bonilla asked if warehousing these recyclables was an option. Staff Gans answered that they have done this in the past, and the material had to be moved multiple times which turned out to not be cost effective.

Chair Aguirre asked what the cost of moving this material to Southern California would be.

Dan Domonoske answered that it is a viable option from a cost perspective, the trucking cost would be \$40-45 per ton, and it costs about \$20 to get it to Oakland, so it's incrementally \$20 to \$25 per ton additional, and will not result in a net loss, as it would still have a positive overall value.

Executive Director La Mariana thanked Potential Industries for being an industry leader in marketing the SBWMA's material and thanked them for their offer of alternative storage before being forced to landfill.

Motion/Second: Bonilla/Brownrigg

Member Froomin asked to amend the resolution to include going to Potential Industries before using landfill as a final option.

Vice Chair Bonilla and Member Brownrigg agreed to that amendment.

Roll Call Vote: 9-0-0-2

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
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			
Menlo Park	X								

8. Public Education and Outreach

A. 2019-2020 School Year Report

Staff Hashizume and the Public Education team gave a PowerPoint presentation on the 2019-2020 school year programs and updated the Board on the schools served, the waste infrastructure and technical-support programs provided to them as well as the shift from in person on campus programs to virtual instruction and noted that they served 12 new schools in 2019-2020.

Executive Director La Mariana commented that this is a very labor-intensive program, and he recognized the excellent work of the 5 fellows and their energy and enthusiasm for this program. He also noted that this is an essential component to the Agency's mandated community wide educational programs, and it gives the school communities a big morale boost when they have a common goal to rally around and work towards.

Member Froomin commented that another good outcome to the work the team did was reducing food waste by encouraging schools not to make students take a food item that they weren't going to eat. This also saved the school money by not buying food that wouldn't get eaten or provided a food option for food insecure families.

Member Groom commented that every year the education program is doing unbelievable work, and it seems like the team has done even more work than last year and complemented the team on the great job.

Doug Silverstein commented that he saw a lot of plastic in the pictures in the presentation and noted that there is a new program in the County that is helping schools convert from disposable to reusable and encouraged further source reduction in schools.

Staff Hashizume noted that they have been talking to schools about their capacity to reduce the packaging of the food, and that her staff has been involved with the program Doug Silverstein mentioned called Rethink Disposables.

9. Informational Items Only (no action required)

- A. 2021 Finance and Rate Setting Calendar
- B. Check Register Detail for November and December 2020
- C. Legislative Session Update
- D. 2021 Meeting Planning Guide

10. Board Member Comments

Chair Aguirre asked Board Members to send her an email to volunteer for positions on the Legislative and Zero Waste Committee.

11. Adjourn 3:54PM

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: March 25, 2021, Board of Directors Meeting
Subject: Resolution Authorizing the Execution of a Three and One-Half Year Contract with DTE Networks for Information Technology Services, for \$43,238 per term year, for an Overall Total Contract Not-to-Exceed Amount of \$151,333, plus CPI Adjustments beginning January 1, 2023

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2021-07 attached hereto authorizing the following action:

The execution of a three- and one-half year contract with DTE Networks, commencing July 1, 2021, and continuing through December 31, 2024, to provide Information Technology services. The annual not to exceed amount for each contract year is \$43,238, for an overall contract not-to-exceed amount of \$151,333, with CPI adjustments.

Analysis

This contract will enable the Agency to continue using its current service provider of information technology services to support its administrative office needs. The SBWMA has worked with DTE Networks since 2007, first as a subcontractor of T324, and directly since 2014. T324 was awarded the original contract as the result of a public procurement Request for Proposal (RFP) process. Due to their extensive and essential technical knowledge of our network equipment hardware and software, and their outstanding customer service over the last seven (7) years, staff recommends continuing the relationship. DTE Networks' current contract with the Agency was entered before Agency's fiscal year was modified to run with the calendar year, and will expire on June 30, 2021. In order to bring the agreement into alignment with the Agency's current fiscal (calendar) year, the new agreement will commence on July 1, 2021, with an initial 6 month term through December 31, 2021, and then continue for three successive calendar year terms. Under the proposed agreement, the annual cost of services is \$43,238, so the initial 6 month cost will be a total of \$21,619, with equally divided payments made on a monthly basis. The annual cost for the three successive terms is \$43,238 per year, with an annual CPI adjustment for calendar years 2023 and 2024. The overall contract not-to-exceed amount for the agreement is \$151,333, plus the CPI adjustments beginning on January 1, 2023.

Fiscal Impact

A new contract will be executed with annual not-to-exceed amounts of \$43,238 per year, for an overall contract amount of \$151,333, adjusted for CPI. The initial six-month term of the contract (as discussed above), from July 1, 2021 through December 31, 2021, in the amount of \$21,619, has been included in the CY2021 budget. With approval of the contract, the remaining contract amount will be included in the draft CY22, CY23 and CY24 budgets under a line item for "Information Systems" (Expenses--line 8).

Attachments:

Resolution 2021--07

Exhibit A –Professional Services Agreement for Information Technology Services provided by DTE Networks



RESOLUTION NO. 2021-07

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTION OF A THREE AND ONE-HALF YEAR CONTRACT WITH DTE NETWORKS FOR AN OVERALL CONTRACT NOT-TO-EXCEED AMOUNT OF \$151.333, PLUS CPI ADJUSTMENTS BEGINNING JANUARY 1, 2023 FOR INFORMATION TECHNOLOGY SERVICES

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering a contract with DTE Networks for the purpose of providing Information Technology Services; and

WHEREAS, The SBWMA has worked with DTE Networks since 2007, first as a subcontractor of T324, and directly since 2014. T324 was awarded their contract as the result of a public procurement Request for Proposal (RFP); and

WHEREAS, Due to their extensive and essential technical knowledge of the SBWMA’s administrative office’s network equipment hardware and software, and their outstanding customer service over the last seven (7) years, staff recommends continuing the relationship per the professional services agreement Exhibit A

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Executive Director to execute a three- and one-half-year professional services contract with DTE Networks, commencing July 1, 2021 and continuing through December 31, 2024.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25th day of March, 2021 by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2021-07 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 25, 2021.

ATTEST:

Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board



PROFESSIONAL SERVICES AGREEMENT
INFORMATION TECHNOLOGY SERVICES AND SUPPORT
BETWEEN SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
AND
DTE NETWORKS

This Agreement is made and entered into as of the 1ST of July 2021 by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY hereinafter called "AUTHORITY" and DTE Networks hereinafter called "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;
- B. That CONSULTANT is qualified to provide such 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, by this reference, made a part hereof ("Services").

Performance of the Services 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. The term of this Agreement shall commence upon the date hereinabove written and continue through December 31, 2024, unless terminated earlier pursuant to Section 10 of this Agreement. The initial term of the Agreement shall be for 6 months, until December 31, 2021, which shall be followed by three successive calendar year terms, 2022, 2023, and 2024.

- 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 the performance all Services and reimbursable expenses described in Exhibit A, as follows: AUTHORITY shall pay the amount of Twenty-one thousand six hundred nineteen dollars (\$21,619) for the initial 6-month term of the Agreement. Thereafter, AUTHORITY shall pay the amount of Forty-three thousand two hundred thirty-eight dollars (\$43,238) for calendar year term 2022. During the two succeeding calendar year terms, 2023 and 2024, the total annual amount shall be the annual amount for the previous year, adjusted by an amount equal to the Consumer Price Index (All Urban Consumers) issued by the Bureau of Labor Statistics of the United States Department of Labor for the San Francisco - Oakland - San Jose, California area. Notwithstanding the foregoing, in no event shall CONSULTANT's compensation be increased by an amount exceeding five percent of the total compensation paid during the immediately preceding contract year. The overall total contract not-to-exceed amount is One hundred fifty-one thousand three hundred and thirty-three dollars (\$151,333).

CONSULTANT shall be paid the initial term amount and annual contract amounts in monthly payments, evenly divided, commencing on July 31, 2021. (For illustration purposes, the initial term monthly payment shall be \$3603) CONSULTANT shall submit a monthly invoice to Authority for such amount.

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. 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.
8. 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.
9. 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.
10. Termination or Suspension of Agreement or Services.
11. 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.

12. Insurance. CONSULTANT shall acquire and maintain Workers' Compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability, professional liability and cyber 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)
Professional Liability	\$1,000,000 per claim and aggregate
Cyber Liability	\$1,000,000 per claim and annual aggregate with a carrier with an A.M. Best rating of A VI (also titled Network Security/Cyber/Privacy liability)

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.

Applicable to Workers Compensation, Employers Liability, Commercial General Liability, and Automobile Liability policies, 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 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 Services. 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.

13. WORKERS' COMPENSATION. CONSULTANT certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CONSULTANT certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
14. 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.
15. 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: Joe La Mariana, Executive Director
Grant Ligon, Management Analyst III

CONSULTANT: **DTE Networks**
Yaron Rosenthal or Jeff Abbott
3060 El Cerrito Plaza #361
El Cerrito CA 94530

Phone: (510) 234-5816

Email: support@dtetworks.com

16. Non-Assignment. This Agreement is not assignable either in whole or in part.
17. Amendments. This Agreement may be amended or modified only by written agreement signed by both parties.
18. Validity. The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.
19. Governing Law. This Agreement shall be governed by the laws of the State of California and any suit or action initiated by either party shall be brought in the County of San Mateo, California. In the event of litigation between the parties hereto to enforce any provision of the Agreement, the unsuccessful party will pay the reasonable attorney's fees and expenses of litigation of the successful party.
20. Mediation. Should any dispute arise out of this Agreement, the parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the parties. If a mediated settlement is reached neither party shall be deemed the prevailing party for purposes of the settlement and each party shall bear its own legal costs.
21. Conflict of Interest. VENDOR may serve other clients, but none that would place VENDOR in a "conflict of interest" as that term is defined in State law.
22. Entire Agreement. This Agreement, including Exhibits A, B, and C, comprises the entire Agreement.
23. Authorization. This Agreement becomes effective when endorsed by both parties in the space provided below. The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities.
24. Counterparts. This Agreement may be signed in multiple counterparts, which shall, when executed by all the parties, constitute a single binding agreement.

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

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Dated: _____

Alicia Aguirre, Board President

ATTEST:

Dated: _____

Cyndi Urman, Board Secretary

APPROVED AS TO FORM

Dated: _____

Jean Savaree, Legal Counsel

CONSULTANT

Dated: _____

Jeff Abbott, Principal DTE Networks

Dated: _____

Yaron Rosenthal, Principal DTE Networks



EXHIBIT A

SCOPE OF WORK, WORK SCHEDULE, AND FEE SCHEDULE

INTRODUCTION

DTE Networks will provide outsourced information and technology services and support to the RethinkWaste Staff from July 1, 2021 through December 31, 2024

BACKGROUND

The SBWMA has worked with DTE Networks since 2007, first as a subcontractor of T324, and directly since 2014. Due to their extensive and essential knowledge of our network equipment hardware and software, and their outstanding customer service over the last seven (7) years, staff recommends continuing the relationship.

SERVICES

DTE will provide the following list of IT management and technical services to Authority on a monthly basis:

- Microsoft Office 365 subscriptions @ \$240/month
- Splashtop remote support and monitoring @ \$7.95/month (18 computers)
- Managed Antivirus @ 4.95/month (18 computers)
- Managed Antivirus server @ 7.95/month
- 4 hours of support per month for routine server maintenance
- 12 hours of support per month for general support requests, hardware and software maintenance, upgrades, problem solving and troubleshooting, etc.
- 2.5 Hours /Month backup 16 Workstations
- Off-site Server backup service/storage @ \$95/month
- Cyber Liability and Data Breach response Insurance \$1,000,000 Coverage @ \$283/month
- Professional Liability Insurance \$1,000,000 coverage @ \$750/year

COMPENSATION

Consultant will be compensated according to the terms set forth in the 4th paragraph of the Agreement.

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

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

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

Description of Work/Locations/Vehicles: _____

ADDITIONAL INSURED: **South Bayside Waste Management Authority (SBWMA)**
610 Elm Street Suite 202, San Carlos, CA 94070
Attention: _____

Contract Administrator

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

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

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

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

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

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

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

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

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

SIGNATURE OF AUTHORIZED REPRESENTATIVE (original signature required)

ORGANIZATION: _____ **TITLE:** _____

ADDRESS: _____

TELEPHONE: () _____ **DATE ISSUED:** _____

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: March 25, 2021 Board of Directors Meeting
Subject: Resolution Recommending Amendment One Modifications to the Member Agency Franchise Agreements with Recology San Mateo County to add a 4th route to the Bulky Item Collection and Abandoned Waste Collection program for an annual operating cost not-to-exceed \$631,371 in year one with contractually allowable adjustments in future rate years, with the 4th route to begin operating on January 1, 2022.

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No 2021-08 attached hereto amending Resolution 2021-05 approved by the SBWMA Board of Directors on January 28, 2021, to correct a math error in the maximum number of daily on call bulky item collection service (BIC) and abandoned waste events (AWC) from 210 to 200 and to show the effective date of Amendment One to June 1, 2021.

Summary

On January 28, 2021, the Board approved Resolution 2021-05, recommending to the Member Agencies that their Amended and Restated Franchise Agreements with Recology be amended to add capacity to the BIC/AWC program. As explained in the January 28, 2021 staff report, during the past ten years, the SBWMA's BIC/AWC programs have proven to be extremely popular. Due to their popularity, both have significantly exceeded the planned capacity provided by Recology.

In 2019, the SBWMA and Recology initiated discussion to develop a joint solution that would create added capacity for these programs. As originally proposed, expanded capacity would have been achieved by adding a 4th Route and by implementation of an electronic BIC/AWC voucher pilot program. The Board considered these two proposals, along with a separate program to address litter abatement/stormwater April 25, 2019, June 27, 2019, and April 23, 2020. On each occasion, the Board continued the item to allow for additional analysis by staff regarding the proposed electronic voucher pilot's implementation methodology and startup costs.

On January 28, 2021, Staff recommended, and the Board approved, Resolution 2021-05. By that Resolution, the Board recommended to the Member Agencies that their Franchise Agreements with Recology be amended to add a 4th Route to provide added capacity for BIC/AWC. The January 28, 2021 staff report indicated that in approving a 4th Route, there would be an additional 210 daily on call curbside BIC events, with an annual operating cost in year one of \$631,371 with contractually allowable adjustments in future rate years.

In preparing the staff report for the Member Agencies, Staff determined that the correct number of daily on call curbside BIC events is 200, not 210.

Staff now asks the Board to approve Resolution 2021-08 to correct a math error in Resolution 2021-15.

Analysis

On January 28, 2021, the Board approved Resolution 2021-05, recommending that the Member Agencies approve Amendment One to their Franchise Agreements with Recology. Amendment One, a copy of which was attached to resolution 2021-05, provided that the maximum number of daily on call curbside BIC service events provided by the 4th Route would be 210. Since approval of Resolution 2021-05, Staff has discovered that the daily capacity for these events is 200, not 210, because each route has 60 collections total comprised of 50 BIC and 10 AWC. As a result, the 4th Route will increase the total number of daily on call service events from 150 to 200. Resolution 2021-05 also indicated that the effective date of the Amendment was shown as January 1, 2022. Recology has requested that the effective date be June 1, 2021 because Recology's rate application to set 2022 rates is due June 15, 2021. Staff now requests that the Board approve the resolution shown in Attachment A to correct this math error and to reflect the date of June 1, 2021 in Amendment One. Staff will then prepare and circulate the resolution, a model staff report, and Amendment One to the Member Agencies for approval. If approved by eight (8) Member Agencies, the 4th Route would be operational on January 1, 2022.

Attachments:

Resolution 2021-08

Attachment A – Modified Proposed Amendment One Language, includes “Attachment U” Projected 4th BIC Route Cost Model

Attachment B - Staff Report of January 28, 2021 - Resolution Recommending Amendment One Modifications to the Member Agency Franchise Agreements with Recology San Mateo County



RESOLUTION NO. 2021-08

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS RECOMMENDING AMENDMENT ONE MODIFICATIONS TO THE MEMBER AGENCY FRANCHISE AGREEMENTS WITH RECOLOGY SAN MATEO COUNTY TO ADD A 4th ROUTE TO THE BULKY ITEM COLLECTION PROGRAM FOR AN ANNUAL NOT-TO-EXCEED \$631,371 WITH CONTRACTUALLY ALLOWABLE ADJUSTMENTS IN FUTURE RATE YEARS, WITH THE 4TH ROUTE TO BEGIN OPERATING ON JANUARY 1, 2022.

WHEREAS, on June 22, 2017, the South Bayside Waste Management Authority (SBWMA) Board of Directors approved a model Franchise Agreement template, as the recommended Franchise Agreement for each Member Agency to individually execute for hauling services to be performed by Recology San Mateo County for the years 2021 through 2035; and

WHEREAS, eight (8) Member Agencies fully executed Franchise Agreement Amendments with Recology San Mateo County by April 24th, 2018, which satisfied the Joint Powers governance requirement to contractually proceed with Recology San Mateo's Franchise Collection services after the expiration of its existing franchise agreement, which expired on December 31, 2020; and

WHEREAS, the popular Bulky Item Collection and Abandoned Waste Collection programs provided by Recology San Mateo County are near capacity due to strong customer demand; and

WHEREAS, on January 28, 2021, the SBWMA Board of Directors approved Resolution 2021-05 recommending to the Member Agencies that they approve the proposed Amendment One to the Member Agencies' Amended and Restated Franchise Agreements to address the need for additional Bulky Item Collection and Abandoned Waste Collection service capacity, and clarify and modify administrative provisions in the model Franchise Agreement, to add a 4th route, thereby increasing the daily maximum number of Bulky Item Collection and Abandoned Waste Collection on call events to 210; and

WHEREAS, staff has now determined that the 4th route will add a maximum number of 200, not 210, daily Bulky Item Collection and Abandoned Waste Collection events with the 4th route beginning on January 1, 2022.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approve the resolution recommending to its Member Agencies, that they approve the attached Amendment One to the Amended and Restated Franchise Agreement providing for the addition of a fourth (4th) route to increase Bulky Item and Abandoned Waste Collection Services during the term of their Franchise Agreements which run

from January 1, 2021 to December 31, 2035, to be effective upon ratification by at least eight (8) Member Agencies.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the March 25, 2021, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2021-08 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 25, 2021.

ATTEST:

Alicia Aguirre, Interim Chairperson of SBWMA

Cyndi Urman, Clerk of the Board

AMENDMENT ONE
BY _____ {Insert Member Agency name} AND
RECOLOGY SAN MATEO COUNTY
TO THE
AMENDED AND RESTATED FRANCHISE AGREEMENT
BETWEEN _____ {Insert Member Agency name} AND RECOLOGY SAN MATEO COUNTY FOR
RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE COLLECTION SERVICES

This first Amendment (“Amendment One”) to the Amended and Restated Franchise Agreement between _____ {insert Member Agency name} and Recology San Mateo County for Recyclable Materials, Organic Materials, and Solid Waste Collection Services (“Agreement”), effective as of _____, _____ {insert date} (“Effective Date”), is made by and between _____ {Insert Member Agency name}, a Municipal Corporation of the State of California (“Agency”), and RECOLOGY SAN MATEO COUNTY, a California corporation (“Contractor”).

RECITALS

- A. **WHEREAS**, Section 5.05 of the Agreement requires Contractor to provide On-Call Bulky Item Collection Service for residents and specifies that Contractor shall schedule a maximum of one hundred fifty (150) On-Call Curbside Bulky Item Collection Service events per service day for the SBWMA Service Area (“daily limit”), and Section 5.09 of the Agreement requires Contractor to provide abandoned waste cleanup Collection service for a maximum of thirty (30) abandoned waste Collection events per service day for the SBWMA Service Area (“daily limit”); and,
- B. **WHEREAS**, Contractor conducts the On-Call Bulky Item Collection Service and abandoned waste cleanup Collection service using the same Collection routes; and, as a result, the total combined daily limit of On-Call Curbside Bulky Item Collection Service events and abandoned waste cleanup Collection service events (collectively, “On-Call Pick-ups”) is one hundred eighty (180) On-Call Pick-Ups per day; and,
- C. **WHEREAS**, anticipating that the combined daily limit would not be sufficient to handle actual demand for On-Call Pick-Ups, the SBWMA and Contractor met and conferred and negotiated a Model Amendment One to the Agreement, which sets forth a strategy to address the problem; and,
- D. **WHEREAS**, Parties identified minor items in the Agreement that warranted clarification or revision; and,
- E. **WHEREAS**; the SBWMA presented the Model Amendment One to the SBWMA’s Board of Directors on January 28, 2021; and, the Board took action recommending that each Member Agency enter into Model Amendment One in the form presented to the Board; and,
- F. **WHEREAS**, the Agency and Contractor have agreed to the revisions to the Agreement as stated in this Amendment One.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the Agency and Contractor hereby agree to amend the Agreement through this Amendment One as follows:

TERMS OF AMENDMENT ONE

1. DEFINITIONS

1.1 Attachment A, Definitions. The following definitions are hereby added to Attachment A:

- a. **2021 Amendment** means the amendment to the Agreement that the SBWMA Board approved, and recommended that each Member Agency enter into, on January 28, 2021.
- b. **On-call Pick-Up** means an On-Call Curbside Bulky Item Collection Service event or an on-call abandoned waste Collection service event.

2. BULKY ITEM AND ABANDONED WASTE COLLECTION SERVICES

2.1 Residential On-Call Bulky Item Collection Service. Section 5.05.H shall be amended to read as follows:

H. Maximum Number of Daily Events. Contractor shall schedule up to a maximum of two hundred ~~and ten (2010)~~ On-Call Curbside Bulky Item Collection Service events per service day for the SBWMA Service Area (“daily limit”). The maximum number of daily events includes On-Call Bulky Item Collection Service events provided to both Single-Family and Multi-Family Residential Complexes, and those events provided at no charge and events paid for by the Customer, Owner, or property manager. Contractor shall schedule On-Call Curbside Bulky Item Collection Service events no more than ten (10) Business Days after the Owner’s or Occupant’s request up to the maximum number of daily events. Upon reaching the maximum number of daily events, requested On-Call Curbside Bulky Item Collection Service event shall be scheduled on the next available regularly scheduled Solid Waste Collection Day.

SBWMA may adopt an allocation system for On-Call Bulky Item Collection Service events, in order to allocate the “daily limit” for such events among Member Agencies. If adopted, Contractor shall comply with the allocation system. The Agency agrees not to assess Liquidated Damages if Contractor does not meet the ten (10) Business Day requirement if the delay has resulted from (i) the volume of On-Call Bulky Item Collection events being in excess of the “daily limit” for the SBWMA Service Area or Agency, or (ii) the Customer’s request to schedule the event on a date more than ten (10) Business Days in the future.

Contractor shall notify the SBWMA when the daily average number of On-Call Pick-Up events and abandoned waste pick ups reaches two hundred twenty-five (225) events, or any subsequently increased number of events mutually agreed by the SBWMA Board and Contractor, combined for Residential On-Call Bulky Item Collection service and abandoned waste Collection service, including On-Call Pick-ups provided at no charge and On-Call Pick-ups paid for by Customers, Owners or property managers) for the SBWMA service area. For the purpose of this Section, the daily average number of On-Call Pick-ups shall be calculated on a weekly basis as the total number of On-Call Pick-Ups performed Monday through Friday divided by the number of Collection days in the week (e.g., typically five (5) days, except four (4) days for weeks with a Holiday). When this threshold occurs for four (4) consecutive weeks, Contractor shall provide SBWMA with reports documenting these statistics and, upon confirmation of that fact, SBWMA staff shall notify the

SBWMA Board of Directors that the service capacity has been filled and to present options, described in this section. Contractor shall continue to supply monthly reporting of the average service count from the time of the original notice until action is taken by the SBWMA Board of Directors.

Upon a confirmed notice from Contractor, the SBWMA Board may consider options, including, but not limited to: (i) authorizing Contractor to implement and perform on-going operation of an additional Bulky Item and abandoned waste Collection route; (ii) adjustment of the ten (10) Business Day required provision of the On-Call Pick-ups; and/or (iii) reduction in the number of On-Call Bulky Item pick-ups allowed for each Customer each year.

The SBWMA Board is hereby authorized, on behalf of the Agency, to determine if future changes are required for the Residential On-Call Bulky Item Collection services described in Section 5.05 and abandoned waste Collection service described in Section 5.09. Such changes, if any, shall be implemented and incorporated into this Agreement in accordance with Section 15.12, Right of Agency to Make Changes in Services and Service Levels. If the SBWMA elects to implement an additional Bulky Item and abandoned waste Collection route, the route shall include two trucks and two drivers, and the annual cost for the route shall be that specified in Attachment U for Rate Year 2021 (subject to adjustment in accordance with the methodology set forth in Attachment K, if the new route is implemented in a later Rate Year). Each additional route approved by the SBWMA shall provide capacity for sixty (60) additional daily Bulky Item Collection and/or abandoned waste Collection services. In the event that the creation of a new route provides for more capacity than there is demand for the Bulky Item Collection services, Contractor shall permit additional collections of abandoned waste up to the total capacity.

2.2 Abandoned Waste Clean-Up Collection Service. Section 5.09.A shall be amended to read as follows:

A. **General.** Contractor shall provide abandoned waste cleanup Collection service to Agency as provided herein. Contractor shall schedule up to a maximum of forty (40) abandoned waste Collection events per service day for the SBWMA Service Area. Contractor shall make every effort to collect abandoned waste within one (1) Business Day of being notified by Agency, SBWMA, Customer, or Contractor's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping. Upon reaching the maximum forty (40) events, Collection of abandoned waste event shall be scheduled and performed by Contractor on the next available service day. This service shall require Contractor to Collect abandoned or illegally dumped Solid Waste, Recyclable Materials, and Organic Materials. This service does not include Collection of litter or litter abatement activities.

Section 5.05.H describes a process for notification and consideration of program changes when the daily average number of On-Call Pick-Up events reaches two hundred twenty-five (225) events combined for Residential On-Call Bulky Item Collection service and abandoned waste Collection service, including On-Call Pick-ups provided at no charge and On-Call Pick-ups paid for by Customers, Owners, or property managers).

3. **CONTRACTOR'S COMPENSATION ADJUSTMENTS FOR VOUCHER PROGRAM**

3.1 Attachment K, Contractor's Compensation and Rate Setting Process. Attachment K shall be amended as follows:

Section 4, Table 1, Contractor's Compensation Adjustment Methodology. In the section of Table 1 labeled "Contractor Pass-Through Costs," a new row shall be added immediately after the "Cap Carry Forward" row, to read as follows:

4. OVERAGE TAGS

4.1 The following changes shall be made:

4.2 Collection of Excess Materials (Overages). Section 8.02.G shall be amended to read as follows:

Contractor shall direct its employees to Collect an Overage on two (2) occasions each Rate Year at no additional cost to Customer. Contractor must provide a notice to Customer documenting the Overage in order to count the Overage Collection towards the (2) per Rate Year for each Customer. Customers that place an Overage for Collection for a third and subsequent events may be assessed an Overage fee by Contractor if Contractor has directly contacted the Customer via a phone call, voice message or other means of communication to notify them of the Overage Collected. Contractor shall bill Customer for a third and subsequent Overage events at Agency-approved Charges specified in Attachment Q. Contractor shall provide Customers the opportunity to request an Overage Collection service in advance. In such case, Contractor shall bill the Customer at the Agency-approved Charge specified in Attachment Q.

Contractor shall provide Customers the opportunity to subscribe to Overage Collection service, in advance, or purchase Overage tag(s) from the Contractor. Each Overage tag permits the Customer to set out one (1) thirty-two (32) gallon garbage bag of Solid Waste next to their Solid Waste Container on the Customer's regularly scheduled collection day, for Collection by Contractor. Contractor shall provide Customers the opportunity to purchase Overage tags through its Customer service department or electronically via Contractor's website. Contractor shall mail or deliver Overage tags to Customers within three (3) Business days of Customer's request. The Charge for Overage tags is specified in Attachment Q and includes all aspects of purchasing the tags, printing, and distribution (i.e., mailing or direct delivery by Contractor). Customers shall also be provided the opportunity to purchase Overage tags at Contractor's local office. The quantity of Overage tags per request from Customer shall be limited to five (5) per request.

If the Agency and/or Contractor receive numerous Complaints (as determined by the Agency) from Customers regarding Customer dissatisfaction with the requirement to purchase Overage tags, the Agency reserves the right to require the Contractor to modify its Overage program to better serve its Customers and/or require the Customer to subscribe to additional Collection service.

5. CLARIFICATION AND ADMINISTRATIVE MODIFICATIONS

5.1 The following changes shall be made to provide clarification and administrative modifications to the Agreement:

5.2 Right of Agency to Make Changes in Services and Service Levels. Section 15.12.A shall be amended to read as follows:

A. Agency may, without amending this Agreement, direct Contractor to cease performing one or more types of service described in Articles 5 or 6, or may direct Contractor to modify the

scope of one or more such services, may direct Contractor to perform additional Solid Waste, Targeted Recyclable Materials, Organic Materials, Used Motor Oil, Used Motor Oil Filters, Household Batteries and Cell Phones or Plant Materials handling services, or may otherwise direct Contractor to modify its performance under any other Section of this Agreement. In addition, SBWMA may, without amendment of this Agreement, direct a change: (i) in the number of Waste Zero Specialists as provided in Section 7.04.A, (ii) in Other Services as provided in Section 7.13, (iii) in the Residential On-Call Bulky Item Collection service described in Section 5.05, and/or (iv) in the abandoned waste Collection service described in Section 5.09. In the event of an SBWMA-directed change under items (iii), (iv) or (v), the provisions of Section 11.06 shall apply, but with the SBWMA substituted in the place of Agency. In the event of any conflict between an Agency-directed change and an SBWMA-directed change, the SBWMA-directed change shall govern. Agency hereby authorizes the SBWMA, with the approval of the SBWMA Board, to do the following on behalf of Agency: (a) to establish the terms and conditions of any program or service changes under items (iii), (iv) or (v) above, (b) to include any costs associated with an SBWMA-directed change in Contractor's Compensation and/or Pass-Through Costs, (c) to determine Agency's share of such costs and to allocate such share to Agency, and (d) to amend this Agreement as mutually agreed with Contractor to give effect to the foregoing. An SBWMA-directed change shall be deemed to be an Agency-directed change for purposes of this Agreement. Contractor shall promptly and cooperatively comply with such direction.

6. MISCELLANEOUS PROVISIONS

- 6.1 Recitals and Headings. The above recitals are incorporated herein by reference and are made a part of this Amendment One. However, headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Amendment One.
- 6.2 Entire Agreement. This Amendment One contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and commitments with respect thereto. Except as expressly modified by this Amendment One, all other terms and conditions of the Agreement remain in full force and effect, unmodified, and apply to this Amendment One as though fully set forth herein.
- 6.3 Counterparts. This Amendment One may be executed in counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.
- 6.4 Effectiveness. It shall be a condition precedent to the effectiveness of this Amendment One that at least eight (8) of the SBWMA's Member Agencies enter into Amendment One.

IN WITNESS WHEREOF, Agency and Contractor have executed this Amendment One as of the day and year first above written.

AGENCY NAME

RECOLOGY SAN MATEO COUNTY

By: _____
XXXX
City Manager

By: _____
Salvatore M. Coniglio
President and CEO

ATTEST: _____
XXXX
City Clerk

By: _____
Cary Chen
Secretary

APPROVED AS TO FORM:

XXXXXX

ATTACHMENT U
RESIDENTIAL ON-CALL BULKY ITEM COLLECTION SERVICE
AND ABANDONED WASTE COLLECTION SERVICE ROUTE COST

Bulky Item Collection Costs		Additional BIC Route
		2021 Dollars
Annual Cost of Operations		
	Direct Labor-Related Costs	
	Wages for CBAs	\$269,064
	Benefits for CBAs	\$148,795
	Payroll Taxes	\$21,889
	Workers Compensation Insurance	<u>\$27,294</u>
	Total Direct Labor Related-Costs	\$467,042
	Direct Fuel Costs	\$20,748
	Other Direct Costs	\$20,223
	Depreciation	
	- Collection Vehicles	\$51,433
	- Containers	<u>\$0</u>
	Total Depreciation	\$51,433
	Allocated Indirect Costs excluding Depreciation	
	General and Administrative Operations	\$0
	Vehicle Maintenance	\$0
	Container Maintenance	<u>\$0</u>
	Total Allocated Indirect Costs excluding Depreciation	\$0
	Total Allocated Indirect Depreciation Costs	\$0
	Total Annual Cost of Operations	\$559,446
	Profit	\$58,726
	Operating Ratio	90.5%
	Total Operating Costs before Pass-Through Costs	\$618,173
	Contractor Pass-Through Costs	
	Interest Expense	\$13,198
	Total Contractor Pass-Through Costs	\$13,198
	TOTAL BASE CONTRACTOR'S COMPENSATION	<u>\$631,371</u>
<p>Note - Collection Vehicle Depreciation and Interest Expense are flat beginning in the of implementation. Purchase price will inflate until the purchase date.</p>		



STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: January 28, 2021 Board of Directors Meeting
Subject: Resolution Recommending Amendment One Modifications to the Member Agency Franchise Agreements with Recology San Mateo County to add a 4th route to the Bulky Item Collection and Abandoned Waste Collection program for an annual operating cost not-to-exceed \$631,371 in year one with contractually allowable adjustments in future rate years

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No 2021-05 attached hereto recommending that the SBWMA Member Agencies approve the Amendment One (see Attachment One) to their Amended and Restated Franchise Agreement with Recology of San Mateo County (Recology) to bolster the current Bulky Item Collection (BIC)/Abandoned Waste Collection (AWC) program to expand program capacity by adding a fourth collection route. The currently identified annual operating cost for year one of the 4th route is \$631,371 with contractually allowable adjustments in future rate years. If proposed Amendment One providing for this program adjustment is approved by eight (8) Member Agencies, the 4th route will begin on January 1, 2022.

Summary

During the past ten years, the SBWMA’s BIC/AWC programs have proven to be extremely popular with our 430,000 residents. Due to their popularity, both have significantly exceeded the planned capacity provided by Recology. The BIC/AWC programs are described further in the “Analysis” and “Background” sections below.

As demand for these programs was expected to exceed capacity, the SBWMA and Recology initiated discussion in 2019 to develop a joint solution that would create added capacity for these programs, thereby allowing customers to receive BIC/AWC services in a timely fashion. As originally proposed, expanded capacity would have been achieved by adding the proposed 4th route and by implementation of an electronic BIC/AWC voucher pilot program within the SBWMA service area. The Board considered these two proposals, along with a separate program to address litter abatement/stormwater April 25, 2019, June 27, 2019, and April 23, 2020. On each occasion, the Board continued the item to allow for additional analysis by staff regarding the proposed electronic voucher pilot’s implementation methodology and startup costs.

Staff has now completed its analysis of the three (3) proposed programs and brings this item forward with the following recommendations for expansion and implementation of the BIC/AWC programs:

1. Staff does not recommend proceeding with a previously proposed electronic voucher pilot program due to an increase in proposed pilot startup and operating costs (now estimated at \$446,363). Staff makes this recommendation for deferral of that program given severe economic impacts that our communities are

currently experiencing due to the COVID crisis. Staff wishes to acknowledge the significant effort that the Recology team put into preparing the financial model for this program.

2. Staff recommends that the litter abatement/ stormwater measures no longer be considered due to the Board's previously stated position that these items are best addressed locally by each individual Member Agency.
3. Staff recommends that the Board review and recommend implementation of a 4th route for BIC/AWC and recommend to the Member Agencies that their Franchise Agreements with Recology be amended to provide for this 4th route by approval of Amendment One (Attachment A).

Analysis

Given that Recology is now at its maximum service level capacity for the BIC/AWC programs we must plan to meet future customer expectations and maintain high service standards for these programs. As noted above, the proposal now before the Board to achieve added capacity has developed through discussions between the SBWMA and Recology during which this joint solution was identified. It creates the added capacity and fairly compensates Recology for these expanded services.

From an operational perspective, the BIC/AWC are one and the same. Recology workers provide at-curb BIC collection on an appointment basis within ten days after the customer's call to the Recology Customer Service Center scheduling pick up of their oversized materials. Added information about the BIC/AWC program can be found at this link: <https://www.recology.com/recology-san-mateo-county/bulky-items/>. Once the BIC scheduled appointments are completed each day, the same workers/crews and vehicles are then reassigned to collect abandoned waste materials throughout the entire SBWMA service area as identified and authorized by designated Member Agency staff (usually Public Works staff). A formal identification and authorization process exists with each Member Agency to provide AWC program structure integrity and cost containment.

If the current proposal to add a fourth route is recommended by this Board and then approved by 2/3 of the Member Agencies, it would expand program capacity from the current daily cap of 150 BIC appointments to 210 BIC appointments; and AWC collection capacity would also expand from 30 pickups per day to 40 per day. The financial impact is projected not-to-exceed \$631,371 in year one, with contractually allowable adjustments to be applied during the annual Contactor's Compensation Application review process each rate year, beginning on January 1, 2022. Two attachments are provided to support this recommendation:

1. Proposed Restated and Amended Franchise Agreement Amendment One language is reflected in "Attachment A".
2. Recology's financial assumptions regarding their annual cost projections for adding a 4th BIC/AWC collection route, including staffing and support vehicles (see Attachment U). About 75 percent of these costs are direct labor expenses, with the balance constituting equipment depreciation and Recology's contractually allowable 9.5% profit margin.

Background

Pursuant to the terms of the Member Agencies' Franchise Agreements, Recology is contractually required to provide up to two BIC services annually without charge to each single-family residence and multi-family property (MFDs require advanced planning for delivery of roll-off containers for collection). This service is required to be provided within 10 business days of the owner or occupant's request, unless Recology's BIC service capacity has been reached. Based on current Franchise Agreement parameters, Recology's service

capacity is limited to 150 bulky item collections system-wide per day. Recology currently makes approximately 130 to 140 bulky item collections per day, so the program is operating at about 90% capacity. Recology also collects abandoned waste with a cap of 30 pick-ups per day. Operationally speaking, these two services are one program; the same trucks and drivers/crews service both the BIC and AWC program. Each route includes a box truck and driver for recyclables, and a rear-load truck and driver for the other items. There are currently three such routes.

The BIC/AWC (including Illegal Dumping) programs are very popular. Because of this, Staff and Recology noted in 2018 that both programs were nearing operational capacity. At Board direction, Staff met with Recology's senior management team to discuss and develop new programs for Board consideration. The current proposal for addition of a 4th route comes as a result of these discussions. If the Board recommends adding a 4th route by Amendment One to the Member Agencies' Franchise Agreements, that recommendation will be sent to all Member Agencies with a request that Amendment One be considered and approved by the Member Agencies. If approved by eight (8) Member Agencies, the program would be implemented on January 1, 2022.¹

Fiscal Impact

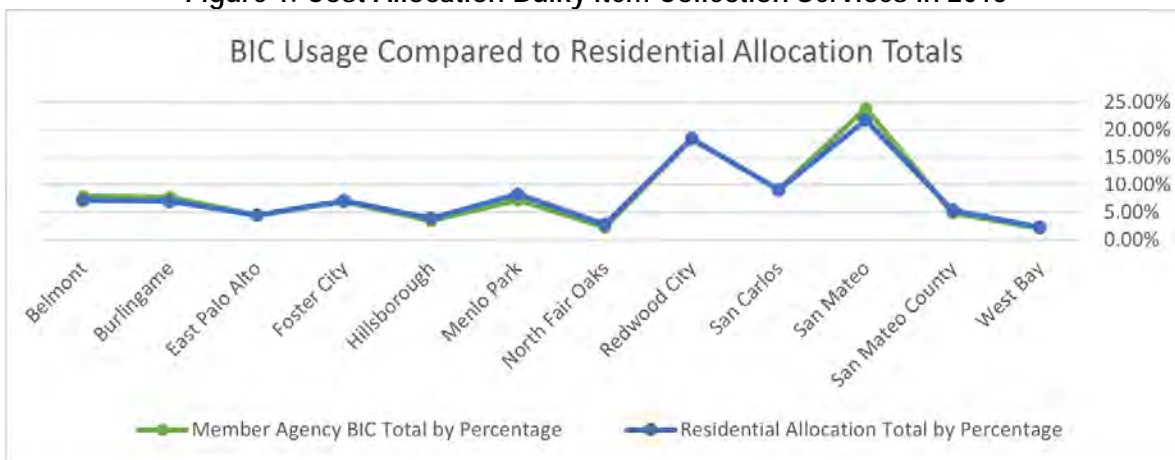
Proposed Program Costs:

Adding a fourth BIC/AWC route will cost \$631,371 in the initial year. Contractually allowable pass-through adjustments will be evaluated each rate year thereafter during the Contractor's Compensation Application review process. This is anticipated to be an ongoing base service expense through the end of the restated and amended franchise agreement term (December 31, 2035).

Proposed Program Cost Allocation:

BIC/AWC costs are allocated among the Member Agencies according to the number of single-family and commercial accounts in the community. For example, if a Member Agency currently has 18% of the single-family accounts, then it will receive an allocation of 18% of the single-family BIC/AWC program costs. If a Member Agency has 10% of the commercial accounts, then it will receive 10% of the multi-family BIC/AWC program cost allocation. **Figure 1**, below, shows the cost allocation for BIC/AWC services for 2015 compared to the allocation that is currently being used each fiscal year according to the number of residents and commercial businesses per Member Agency. It is recommended that costs be allocated in the same manner, given how closely the BIC/AWC and residential percentages track each other.

Figure 1. Cost Allocation Bulky Item Collection Services in 2015



¹ Initially, Staff recommended that the Board consider incorporating amendments to the Franchise Agreement to address stormwater regulations as part of Amendment One.

Costs will increase only when a fourth route is added (proposed for January 1, 2022). The first year financial impact of \$631,371 includes the cost for an additional annual route (covers one new truck and driver for recyclables, and one rear-loader and driver for other items).

Attachments:

Resolution 2021-05

Attachment A - Proposed Amendment One Language, includes "Attachment U" Projected 4th BIC Route Cost Model



RESOLUTION NO. 2021-05

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS RECOMMENDING AMENDMENT ONE MODIFICATIONS TO THE MEMBER AGENCY FRANCHISE AGREEMENTS WITH RECOLOGY SAN MATEO COUNTY TO ADD A 4th ROUTE TO THE BULKY ITEM COLLECTION PROGRAM FOR AN ANNUAL NOT_TO_EXCEED \$631,371 WITH CONTRACTUALLY ALLOWABLE ADJUSTMENTS IN FUTURE RATE YEARS, TO BEGIN ON JANUARY 1, 2022.

WHEREAS, on June 22, 2017, the South Bayside Waste Management Authority (SBWMA) Board of Directors approved a model Franchise Agreement template, as the recommended Franchise Agreement for each Member Agency to individually execute for hauling services to be performed by Recology San Mateo County for the years 2021 through 2035; and

WHEREAS, eight (8) Member Agencies fully executed Franchise Agreement Amendments with Recology San Mateo County by April 24th, 2018, which satisfied the Joint Powers governance requirement to contractually proceed with Recology San Mateo's Franchise Collection services after the expiration of its existing franchise agreement, which expired on December 31, 2020; and

WHEREAS, the popular Bulky Item Collection and Abandoned Waste Collection programs provided by Recology San Mateo County are near capacity due to strong customer demand; and

WHEREAS, the attached proposed Amendment One to the Member Agencies' Amended and Restated Franchise Agreements will address the need for additional Bulky Item Collection and Abandoned Waste Collection service capacity, and clarify and modify administrative provisions in the model Franchise Agreement.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby recommends to its Member Agencies, that they approve the attached Amendment One to the Amended and Restated Franchise Agreement providing for the addition of a fourth (4th) route to increase Bulky Item and Abandoned Waste Collection Services during the term of their Franchise Agreements which run from January 1, 2021 to December 31, 2035, to be effective upon ratification by at least eight (8) Member Agencies.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 28th day of January, 2021, by the following vote:

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Belmont					Redwood City				
Burlingame					San Carlos				
East Palo Alto					San Mateo				
Foster City					County of San Mateo				

Hillsborough					West Bay Sanitary Dist				
Menlo Park									

I HEREBY CERTIFY that the foregoing Resolution No. 2021-05 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 28, 2021.

ATTEST:

Alicia Aguirre, Interim Chairperson of SBWMA

Cyndi Urman, Clerk of the Board

AMENDMENT ONE
BY _____ {Insert Member Agency name} AND
RECOLOGY SAN MATEO COUNTY
TO THE
AMENDED AND RESTATED FRANCHISE AGREEMENT
BETWEEN _____ {Insert Member Agency name} AND RECOLOGY SAN MATEO COUNTY FOR
RECYCLABLE MATERIALS, ORGANIC MATERIALS, AND SOLID WASTE COLLECTION SERVICES

This first Amendment (“Amendment One”) to the Amended and Restated Franchise Agreement between _____ {insert Member Agency name} and Recology San Mateo County for Recyclable Materials, Organic Materials, and Solid Waste Collection Services (“Agreement”), effective as of _____, _____ {insert date} (“Effective Date”), is made by and between _____ {Insert Member Agency name}, a Municipal Corporation of the State of California (“Agency”), and RECOLOGY SAN MATEO COUNTY, a California corporation (“Contractor”).

RECITALS

- A. **WHEREAS**, Section 5.05 of the Agreement requires Contractor to provide On-Call Bulky Item Collection Service for residents and specifies that Contractor shall schedule a maximum of one hundred fifty (150) On-Call Curbside Bulky Item Collection Service events per service day for the SBWMA Service Area (“daily limit”), and Section 5.09 of the Agreement requires Contractor to provide abandoned waste cleanup Collection service for a maximum of thirty (30) abandoned waste Collection events per service day for the SBWMA Service Area (“daily limit”); and,
- B. **WHEREAS**, Contractor conducts the On-Call Bulky Item Collection Service and abandoned waste cleanup Collection service using the same Collection routes; and, as a result, the total combined daily limit of On-Call Curbside Bulky Item Collection Service events and abandoned waste cleanup Collection service events (collectively, “On-Call Pick-ups”) is one hundred eighty (180) On-Call Pick-Ups per day; and,
- C. **WHEREAS**, anticipating that the combined daily limit would not be sufficient to handle actual demand for On-Call Pick-Ups, the SBWMA and Contractor met and conferred and negotiated a Model Amendment One to the Agreement, which sets forth a strategy to address the problem; and,
- D. **WHEREAS**, Parties identified minor items in the Agreement that warranted clarification or revision; and,
- E. **WHEREAS**; the SBWMA presented the Model Amendment One to the SBWMA’s Board of Directors on January 28, 2021; and, the Board took action recommending that each Member Agency enter into Model Amendment One in the form presented to the Board; and,
- F. **WHEREAS**, the Agency and Contractor have agreed to the revisions to the Agreement as stated in this Amendment One.

NOW THEREFORE, in consideration of the mutual promises contained herein, and for other good and valuable consideration, the Agency and Contractor hereby agree to amend the Agreement through this Amendment One as follows:

TERMS OF AMENDMENT ONE

1. DEFINITIONS

1.1 Attachment A, Definitions. The following definitions are hereby added to Attachment A:

- a. **2021 Amendment** means the amendment to the Agreement that the SBWMA Board approved, and recommended that each Member Agency enter into, on January 28, 2021.
- b. **On-call Pick-Up** means an On-Call Curbside Bulky Item Collection Service event or an on-call abandoned waste Collection service event.

2. BULKY ITEM AND ABANDONED WASTE COLLECTION SERVICES

2.1 Residential On-Call Bulky Item Collection Service. Section 5.05.H shall be amended to read as follows:

H. **Maximum Number of Daily Events**. Contractor shall schedule up to a maximum of two hundred and ten (210) On-Call Curbside Bulky Item Collection Service events per service day for the SBWMA Service Area (“daily limit”). The maximum number of daily events includes On-Call Bulky Item Collection Service events provided to both Single-Family and Multi-Family Residential Complexes, and those events provided at no charge and events paid for by the Customer, Owner, or property manager. Contractor shall schedule On-Call Curbside Bulky Item Collection Service events no more than ten (10) Business Days after the Owner’s or Occupant’s request up to the maximum number of daily events. Upon reaching the maximum number of daily events, requested On-Call Curbside Bulky Item Collection Service event shall be scheduled on the next available regularly scheduled Solid Waste Collection Day.

SBWMA may adopt an allocation system for On-Call Bulky Item Collection Service events, in order to allocate the “daily limit” for such events among Member Agencies. If adopted, Contractor shall comply with the allocation system. The Agency agrees not to assess Liquidated Damages if Contractor does not meet the ten (10) Business Day requirement if the delay has resulted from (i) the volume of On-Call Bulky Item Collection events being in excess of the “daily limit” for the SBWMA Service Area or Agency, or (ii) the Customer’s request to schedule the event on a date more than ten (10) Business Days in the future.

Contractor shall notify the SBWMA when the daily average number of On-Call Pick-Up events reaches two hundred twenty-five (225) events, or any subsequently increased number of events mutually agreed by the SBWMA Board and Contractor, combined for Residential On-Call Bulky Item Collection service and abandoned waste Collection service, including On-Call Pick-ups provided at no charge and On-Call Pick-ups paid for by Customers, Owners or property managers) for the SBWMA service area. For the purpose of this Section, the daily average number of On-Call Pick-ups shall be calculated on a weekly basis as the total number of On-Call Pick-Ups performed Monday through Friday divided by the number of Collection days in the week (e.g., typically five (5) days, except four (4) days for weeks with a Holiday). When this threshold occurs for four (4) consecutive weeks, Contractor shall provide SBWMA with reports documenting these statistics and, upon confirmation of that fact, SBWMA staff shall notify the SBWMA Board of Directors that

the service capacity has been filled and to present options, described in this section. Contractor shall continue to supply monthly reporting of the average service count from the time of the original notice until action is taken by the SBWMA Board of Directors.

Upon a confirmed notice from Contractor, the SBWMA Board may consider options, including, but not limited to: (i) authorizing Contractor to implement and perform on-going operation of an additional Bulky Item and abandoned waste Collection route; (ii) adjustment of the ten (10) Business Day required provision of the On-Call Pick-ups; and/or (iii) reduction in the number of On-Call Bulky Item pick-ups allowed for each Customer each year.

The SBWMA Board is hereby authorized, on behalf of the Agency, to determine if future changes are required for the Residential On-Call Bulky Item Collection services described in Section 5.05 and abandoned waste Collection service described in Section 5.09. Such changes, if any, shall be implemented and incorporated into this Agreement in accordance with Section 15.12, Right of Agency to Make Changes in Services and Service Levels. If the SBWMA elects to implement an additional Bulky Item and abandoned waste Collection route, the route shall include two trucks and two drivers, and the annual cost for the route shall be that specified in Attachment U for Rate Year 2021 (subject to adjustment in accordance with the methodology set forth in Attachment K, if the new route is implemented in a later Rate Year). Each additional route approved by the SBWMA shall provide capacity for sixty (60) additional daily Bulky Item Collection and/or abandoned waste Collection services. In the event that the creation of a new route provides for more capacity than there is demand for the Bulky Item Collection services, Contractor shall permit additional collections of abandoned waste up to the total capacity.

2.2 Abandoned Waste Clean-Up Collection Service. Section 5.09.A shall be amended to read as follows:

A. **General.** Contractor shall provide abandoned waste cleanup Collection service to Agency as provided herein. Contractor shall schedule up to a maximum of forty (40) abandoned waste Collection events per service day for the SBWMA Service Area. Contractor shall make every effort to collect abandoned waste within one (1) Business Day of being notified by Agency, SBWMA, Customer, or Contractor's vehicle drivers and route supervisors of the occurrence of abandoned waste or illegal dumping. Upon reaching the maximum forty (40) events, Collection of abandoned waste event shall be scheduled and performed by Contractor on the next available service day. This service shall require Contractor to Collect abandoned or illegally dumped Solid Waste, Recyclable Materials, and Organic Materials. This service does not include Collection of litter or litter abatement activities.

Section 5.05.H describes a process for notification and consideration of program changes when the daily average number of On-Call Pick-Up events reaches two hundred twenty-five (225) events combined for Residential On-Call Bulky Item Collection service and abandoned waste Collection service, including On-Call Pick-ups provided at no charge and On-Call Pick-ups paid for by Customers, Owners, or property managers).

3. **CONTRACTOR'S COMPENSATION ADJUSTMENTS FOR VOUCHER PROGRAM**

3.1 Attachment K, Contractor's Compensation and Rate Setting Process. Attachment K shall be amended as follows:

Section 4, Table 1, Contractor's Compensation Adjustment Methodology. In the section of Table 1 labeled "Contractor Pass-Through Costs," a new row shall be added immediately after the "Cap Carry Forward" row, to read as follows:

4. OVERAGE TAGS

4.1 The following changes shall be made:

4.2 Collection of Excess Materials (Overages). Section 8.02.G shall be amended to read as follows:

Contractor shall direct its employees to Collect an Overage on two (2) occasions each Rate Year at no additional cost to Customer. Contractor must provide a notice to Customer documenting the Overage in order to count the Overage Collection towards the (2) per Rate Year for each Customer. Customers that place an Overage for Collection for a third and subsequent events may be assessed an Overage fee by Contractor if Contractor has directly contacted the Customer via a phone call, voice message or other means of communication to notify them of the Overage Collected. Contractor shall bill Customer for a third and subsequent Overage events at Agency-approved Charges specified in Attachment Q. Contractor shall provide Customers the opportunity to request an Overage Collection service in advance. In such case, Contractor shall bill the Customer at the Agency-approved Charge specified in Attachment Q.

Contractor shall provide Customers the opportunity to subscribe to Overage Collection service, in advance, or purchase Overage tag(s) from the Contractor. Each Overage tag permits the Customer to set out one (1) thirty-two (32) gallon garbage bag of Solid Waste next to their Solid Waste Container on the Customer's regularly scheduled collection day, for Collection by Contractor. Contractor shall provide Customers the opportunity to purchase Overage tags through its Customer service department or electronically via Contractor's website. Contractor shall mail or deliver Overage tags to Customers within three (3) Business days of Customer's request. The Charge for Overage tags is specified in Attachment Q and includes all aspects of purchasing the tags, printing, and distribution (i.e., mailing or direct delivery by Contractor). Customers shall also be provided the opportunity to purchase Overage tags at Contractor's local office. The quantity of Overage tags per request from Customer shall be limited to five (5) per request.

If the Agency and/or Contractor receive numerous Complaints (as determined by the Agency) from Customers regarding Customer dissatisfaction with the requirement to purchase Overage tags, the Agency reserves the right to require the Contractor to modify its Overage program to better serve its Customers and/or require the Customer to subscribe to additional Collection service.

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5.1 The following changes shall be made to provide clarification and administrative modifications to the Agreement:

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scope of one or more such services, may direct Contractor to perform additional Solid Waste, Targeted Recyclable Materials, Organic Materials, Used Motor Oil, Used Motor Oil Filters, Household Batteries and Cell Phones or Plant Materials handling services, or may otherwise direct Contractor to modify its performance under any other Section of this Agreement. In addition, SBWMA may, without amendment of this Agreement, direct a change: (i) in the number of Waste Zero Specialists as provided in Section 7.04.A, (ii) in Other Services as provided in Section 7.13, (iii) in the Residential On-Call Bulky Item Collection service described in Section 5.05, and/or (iv) in the abandoned waste Collection service described in Section 5.09. In the event of an SBWMA-directed change under items (iii), (iv) or (v), the provisions of Section 11.06 shall apply, but with the SBWMA substituted in the place of Agency. In the event of any conflict between an Agency-directed change and an SBWMA-directed change, the SBWMA-directed change shall govern. Agency hereby authorizes the SBWMA, with the approval of the SBWMA Board, to do the following on behalf of Agency: (a) to establish the terms and conditions of any program or service changes under items (iii), (iv) or (v) above, (b) to include any costs associated with an SBWMA-directed change in Contractor's Compensation and/or Pass-Through Costs, (c) to determine Agency's share of such costs and to allocate such share to Agency, and (d) to amend this Agreement as mutually agreed with Contractor to give effect to the foregoing. An SBWMA-directed change shall be deemed to be an Agency-directed change for purposes of this Agreement. Contractor shall promptly and cooperatively comply with such direction.

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- 6.1 Recitals and Headings. The above recitals are incorporated herein by reference and are made a part of this Amendment One. However, headings in this document are for convenience of reference only and are not to be considered in any interpretation of this Amendment One.
- 6.2 Entire Agreement. This Amendment One contains the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and commitments with respect thereto. Except as expressly modified by this Amendment One, all other terms and conditions of the Agreement remain in full force and effect, unmodified, and apply to this Amendment One as though fully set forth herein.
- 6.3 Counterparts. This Amendment One may be executed in counterparts, each of which shall constitute an original, and all of which, when taken together, shall constitute one and the same instrument.
- 6.4 Effectiveness. It shall be a condition precedent to the effectiveness of this Amendment One that at least eight (8) of the SBWMA's Member Agencies enter into Amendment One.

IN WITNESS WHEREOF, Agency and Contractor have executed this Amendment One as of the day and year first above written.

AGENCY NAME

RECOLOGY SAN MATEO COUNTY

By: _____
XXXX
City Manager

By: _____
Salvatore M. Coniglio
President and CEO

ATTEST: _____
XXXX
City Clerk

By: _____
Cary Chen
Secretary

APPROVED AS TO FORM:

XXXXXX

ATTACHMENT U
RESIDENTIAL ON-CALL BULKY ITEM COLLECTION SERVICE
AND ABANDONED WASTE COLLECTION SERVICE ROUTE COST

Bulky Item Collection Costs		Additional BIC Route
		2021 Dollars
Annual Cost of Operations		
	Direct Labor-Related Costs	
	Wages for CBAs	\$269,064
	Benefits for CBAs	\$148,795
	Payroll Taxes	\$21,889
	Workers Compensation Insurance	<u>\$27,294</u>
	Total Direct Labor Related-Costs	\$467,042
	Direct Fuel Costs	\$20,748
	Other Direct Costs	\$20,223
	Depreciation	
	- Collection Vehicles	\$51,433
	- Containers	\$0
	Total Depreciation	\$51,433
	Allocated Indirect Costs excluding Depreciation	
	General and Administrative	\$0
	Operations	\$0
	Vehicle Maintenance	\$0
	Container Maintenance	<u>\$0</u>
	Total Allocated Indirect Costs excluding Depreciation	\$0
	Total Allocated Indirect Depreciation Costs	\$0
	Total Annual Cost of Operations	\$559,446
	Profit	\$58,726
	Operating Ratio	90.5%
	Total Operating Costs before Pass-Through Costs	\$618,173
	Contractor Pass-Through Costs	
	Interest Expense	\$13,198
	Total Contractor Pass-Through Costs	\$13,198
	TOTAL BASE CONTRACTOR'S COMPENSATION	<u>\$631,371</u>
Note - Collection Vehicle Depreciation and Interest Expense are flat beginning in the		
of implementation. Purchase price will inflate until the purchase date.		

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana Executive Director
Cyndi Urman, Clerk of the Board
Date: March 25, 2021 Board of Directors Meeting
Subject: Resolution Approving SBWMA Committee Appointments

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No 2021-09 formalizing the SBWMA's annual process for creating committees and appointing Board Members to serve on the committees. It is also recommended that each year when the agency's committee are constituted, a Chair is selected by a majority of the committee members. Committee Chairs will lead Committee meetings and collaborate with Staff to develop agendas and discussion items, when appropriate, report back to the Board on key agency initiatives.

Summary

At the start of 2021, there were vacancies on several of the SBWMA standing and Adhoc committees. After the January 25, 2021 Board Meeting, Chair Aguirre reached out to all Board Members and invited them to volunteer to serve on the four SBWMA committees. This resolution will formally adopt the process of appointing Board Members to committee positions. The following Board Members are recommended for the following committees, each committee will decide on a committee chair at their next meeting:

Finance Committee (Standing Committee of Board and TAC Members)

- Michael Brownrigg - Board Member, Burlingame City Council
- Al Royse - Board Member, Hillsborough City Council
- Carol Augustine - TAC Member, Burlingame Finance Director
- Brenda Olwin - TAC Member, East Palo Alto Finance Director
- Jay Benton - Ex-Officio Board Member
- SBWMA Staff: John Mangini (Lead); Grant Ligon; Joe La Mariana

Legislative Committee (Standing Committee of Board Members)

- Carole Groom – Board Member, County of San Mateo Supervisor
- Adam Rak – Board Member, San Carlos City Council
- Fran Dehn – Board Member, West Bay Sanitary District Board
- SBWMA Staff: Julia Au (Lead); Joe La Mariana

Public Education/Outreach Committee (Adhoc Committee of Board and TAC Members)

- Davina Hurt – Board Member, Belmont City Council
- Jon Froomin – Board Member, Foster City City Council

- Ruben Abrica – Board Member, East Palo Alto City Council
- Gordon Tong – TAC Member, County of San Mateo, Office of Sustainability
- Andra Lorenz – TAC Member/Vice Chair Foster City, Management Analyst
- Roxanne Murray – TAC Member/Chair, San Mateo, Environmental Programs Manager
- Vicki Sherman - City Staff, Redwood City Public Works
- Mia Rossi - Waste Zero Manager, Recology SMC
- SBWMA Staff: Emi Hashizume (Lead); Julia Au; Joanna Rosales; Joe La Mariana

Zero Waste Committee (Adhoc Committee of Board Members)

- Davina Hurt – Board Member, Belmont City Council
- Michael Brownrigg - Board Member, Burlingame City Council
- Rick Bonilla – Board Member, San Mateo City Council
- Adam Rak – Board Member, San Carlos City Council
- Fran Dehn – Board Member, West Bay Sanitary District Board
- SBWMA Staff: Hilary Gans (Lead); Matt Southworth; John Mangini; Grant Ligon; Joe La Mariana

Background

SBWMA staff looked at the historical process for appointing committee members, and determined that there was no formal process for appointing committee members which resulted in different approaches to addressing this issue. Legal Counsel recommended this resolution be approved to formalize the process of appointing committee members going forward.

Fiscal Impact

There is no fiscal impact associated with the formalization of the process of appointing SBWMA committee members.

Attachments:

Resolution 2021-09



RESOLUTION NO. 2021-09

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS TO FORMALIZE THE PROCESS OF APPOINTING SBWMA COMMITTEE MEMBERS

WHEREAS, In January of 2021 there were several vacancies on SBWMA standing and Adhoc Committees' and

WHEREAS, there was previously no formal and uniform system in place to appoint Board Members as members of the standing and adhoc SBWMA committees

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the appointment of these Board Members to the following committees and formalizes the process for appointing committee members:

Finance Committee (Standing Committee of Board and TAC Members)

- Michael Brownrigg - Board Member, Burlingame City Council
- Al Royle - Board Member, Hillsborough City Council
- Carol Augustine - TAC Member, Burlingame Finance Director
- Brenda Olwin - TAC Member, East Palo Alto Finance Director
- Jay Benton - Ex-Officio Board Member
- SBWMA Staff: John Mangini (Lead); Grant Ligon; Joe La Mariana

Legislative Committee (Standing Committee of Board Members)

- Carole Groom – Board Member, County of San Mateo Supervisor
- Adam Rak – Board Member, San Carlos City Council
- Fran Dehn – Board Member, West Bay Sanitary District Board
- SBWMA Staff: Julia Au (Lead); Joe La Mariana

Public Education/Outreach Committee (Adhoc Committee of Board and TAC Members)

- Davina Hurt – Board Member, Belmont City Council
- Jon Froomin – Board Member, Foster City City Council
- Ruben Abrica – Board Member, East Palo Alto City Council
- Gordon Tong – TAC Member, County of San Mateo Office of Sustainability
- Andra Lorenz – TAC Vice-Chair, Foster City Management Analyst
- Roxanne Murray – TAC Chair, San Mateo Environmental Programs Manager
- Vicki Sherman City Staff, Redwood City Public Works

- Mia Rossi - Waste Zero Manager, Recology SMC
- SBWMA Staff: Emi Hashizume (Lead); Julia Au; Joanna Rosales; Joe La Mariana

Zero Waste Committee (Adhoc Committee of Board Members)

- Davina Hurt – Board Member, Belmont City Council
- Michael Brownrigg - Board Member, Burlingame City Council
- Rick Bonilla – Board Member, San Mateo City Council
- Adam Rak – Board Member, San Carlos City Council
- Fran Dehn – Board Member, West Bay Sanitary District Board
- SBWMA Staff: Hilary Gans (Lead); Matt Southworth; John Mangini; Grant Ligon; Joe La Mariana

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25th day of March, 2021, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2021-09 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 25, 2021.

ATTEST:

Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board



STAFF REPORT

To: SBWMA Board Members
 From: John Mangini, Senior Finance Manager
 Date: March 25, 2021 Board of Directors Meeting
 Subject: Approval of Quarterly Investment Report for the Quarter Ended December 31, 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 December 31, 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 December 31, 2020, funds in the amount of \$32,900,726 were invested, producing a weighted average yield of 0.40%.

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

	Qtr Ended 9/30/20	Qtr Ended 12/31/20	Increase (Decrease)
Total Portfolio	\$ 30,725,532	\$ 32,900,726	\$ 2,175,194
Weighted Average Return	0.62%	0.40%	-0.22%
Interest/Dividends Earnings	\$ 51,165	\$ 43,440	\$ (7,725)

The total quarter-end portfolio balance increased by \$2,175,194 when compared with the previous quarter.

Important Note: Town of Atherton Defeasance Settlement Payment:

The increase was due to the receipt of \$2,169,211 from the Town of Atherton, to defease their portion of the long-term debt. Offsetting this increase were fees paid to consultants for related work on the defeasance. As a result of the lower rate of return experienced by the portfolio, total interest and dividend earnings were lower than the previous quarter.

A table comparison of the portfolio components is provided below:

	9/30/2020 Balance	% of Total	12/31/2020 Balance	% of Total	Change over Prior Quarter
SM County Pool	\$ 7,403,715	24%	\$ 7,432,906	23%	\$ 29,191
LAIF	8,426,617	28%	8,445,144	26%	18,527
Bond Accounts	14,895,200	48%	17,022,676	52%	2,127,476
Total Portfolio	\$ 30,725,532	100%	\$ 32,900,726	100%	\$ 2,175,194

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 December 31, 2020, the bond cost of issuance and project accounts of approximately \$14.9 million were invested with the trustee in short-term investments and the defeasance account of \$2.1 million was invested in fixed income investments.

As of December 31, 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 .80%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending December 31, 2020, was 0.63%. The San Mateo County Pool average yield for the quarter was 1.00%.

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 December 31, 2020

Attachment B - Investment Portfolio 12/31/2020 - Chart

Attachment C - Historical Summary of Investment Portfolio

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

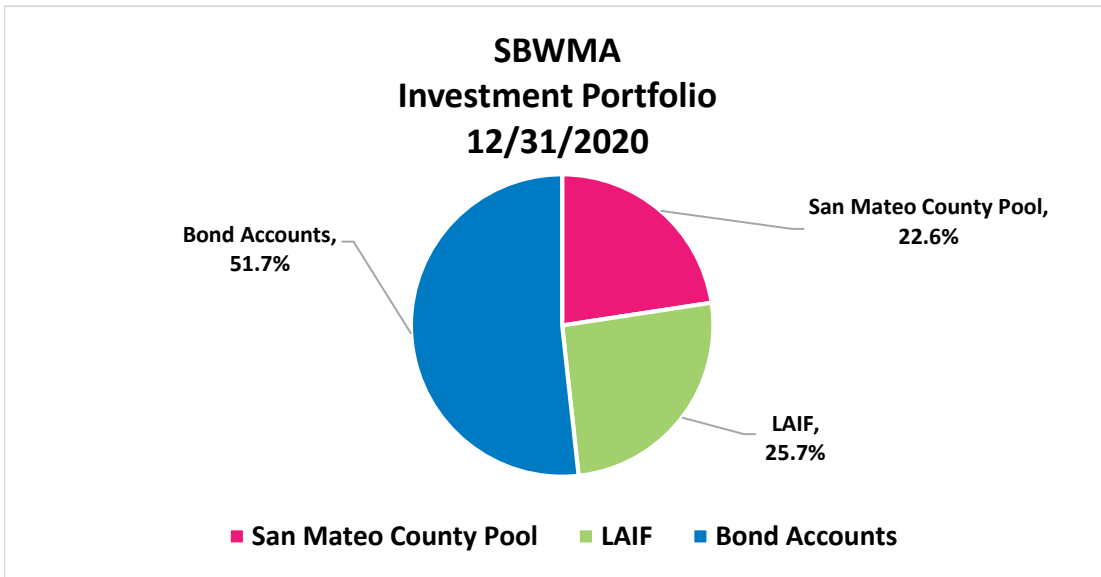
SUMMARY OF ALL INVESTMENTS
For Quarter Ending December 31, 2020

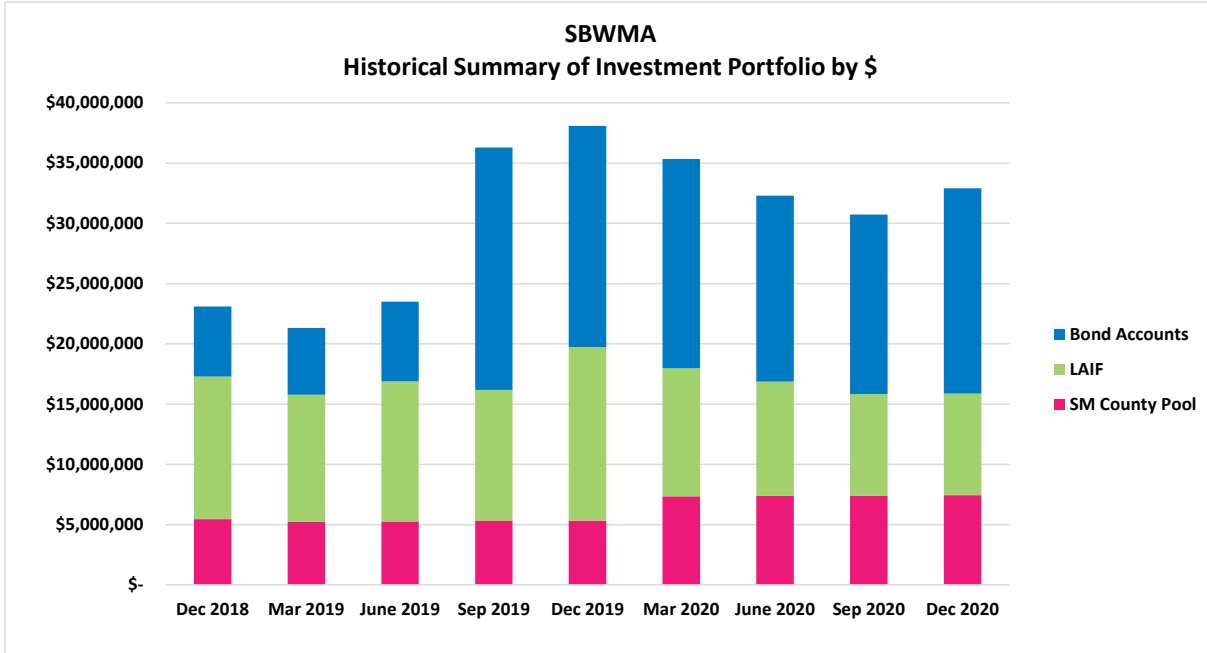
Category	Rate of Return	Historical Cost	% of Portfolio	Market Value*	Interest/Dividend Earned
Liquid Investments:					
San Mateo County Investment Pool (COPOOL)	1.00%	\$ 7,432,906	46.8%	\$ 7,526,579	\$ 29,191
Local Agency Investment Fund (LAIF)	0.63%	8,445,144	53.2%	\$ 8,479,892	13,353
	Weighted Average				
Total - Investments	0.80%	15,878,050	100.0%	16,006,471	42,544
	Rate of Return				
Bond Accounts - Cash with Fiscal Agents					
BNY - 2009A Reserve Fund	0.00%	-		-	-
BNY - 2009A Payment Fund	0.00%	-		-	-
BNY - 2019AB Payment Fund	0.00%	17		17	-
BNY - 2019AB Refunding Costs Fund	0.00%	1		1	-
BNY - 2019AB Defeasance Costs (Atherton) Fund	0.00%	49,674		49,674	-
BNY - 2019AB Escrow (Atherton) Fund	0.59%	2,076,906		2,076,906	-
BNY - 2019AB Refunding Project Fund	0.03%	14,896,078		14,896,078	896
Total - Bond Accounts		17,022,676		17,022,676	896
	Weighted Average				
GRAND TOTAL OF PORTFOLIO	0.40%	\$ 32,900,726		\$ 33,029,147	\$ 43,440
Total Interest/Dividend Earned This Quarter					43,440
Total Interest/Dividend Earned Fiscal Year-to-Date					94,605

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

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

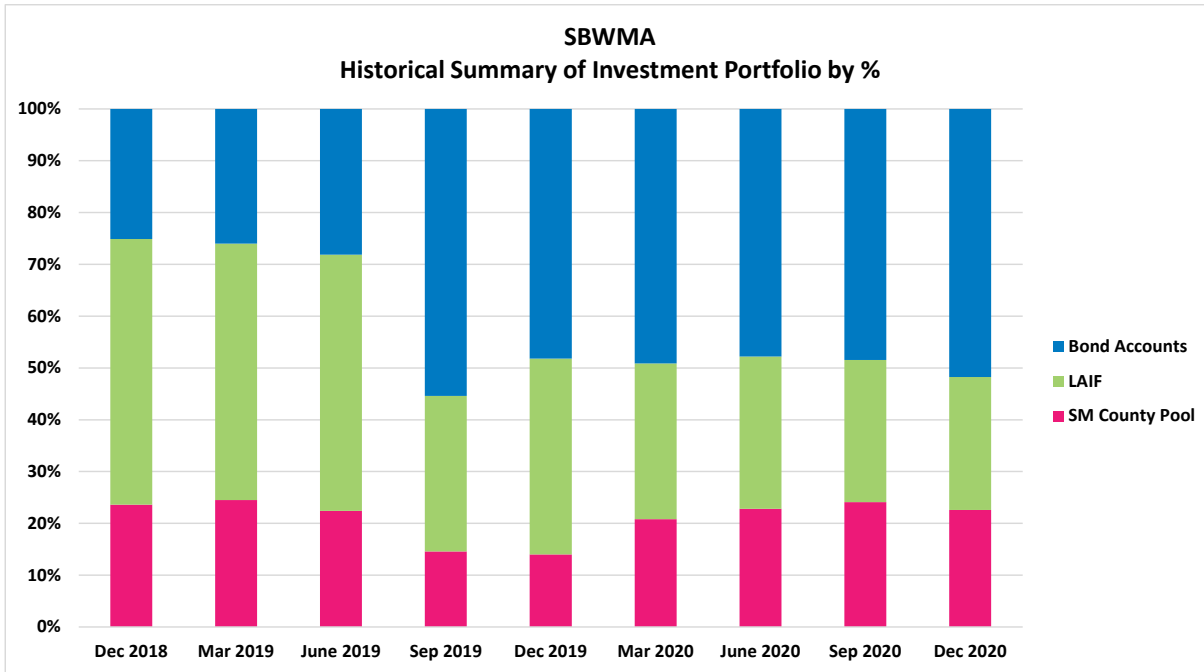
*Difference in value between Historical Cost and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools 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 Bay Waste Management Authority Portfolio

	Dec 2018	Mar 2019	June 2019	Sep 2019	Dec 2019	Mar 2020	June 2020	Sep 2020	Dec 2020
SM County Pool	5,453,401	5,230,212	5,261,667	5,292,948	5,321,963	7,347,186	7,374,118	7,403,715	7,432,906
LAIF	11,840,565	10,553,938	11,623,054	10,891,545	14,412,065	10,630,374	9,491,582	8,426,617	8,445,144
Bond Accounts	5,798,255	5,547,155	6,610,869	20,100,689	18,354,509	17,358,643	15,432,152	14,895,200	17,022,676
Grand Total	\$23,092,221	\$21,331,305	\$23,495,590	\$36,285,182	\$38,088,537	\$35,336,203	\$32,297,852	\$30,725,532	\$32,900,726



	Dec 2018	Mar 2019	June 2019	Sep 2019	Dec 2019	Mar 2020	June 2020	Sep 2020	Dec 2020
SM County Pool	23.6%	24.5%	22.4%	14.6%	14.0%	20.8%	22.8%	24.1%	22.6%
LAIF	51.3%	49.5%	49.5%	30.0%	37.8%	30.1%	29.4%	27.4%	25.7%
Bond Accounts	25.1%	26.0%	28.1%	55.4%	48.2%	49.1%	47.8%	48.5%	51.7%
Grand Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%