



A Public Agency

# CONSENT CALENDAR



**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
June 23, 2022– 2:00 p.m.  
Via Zoom Tele or Video Conference Only**

Call to Order: 2:01 PM

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

Agency	Present	Absent	Agency	Present	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 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](mailto:rethinker@rethinkwaste.org).*

None

**3. Executive Director's Report**

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

- At the end of the meeting today, there will be an input session on the site optimization study.
- There are 3 remaining board meetings for the remainder of 2022: September 22 to review and approve the Recology and SBR compensation applications, which will also be reviewed by the TAC in early September. October 27 there will be a study session to review the 2023 budget and capital improvement plan, in addition to the preliminary recommendations for site optimization. Lastly, November 17, which will hopefully be in person, will be final approval of the site optimization study recommendations.
- Staff is working on in person/hybrid meeting solutions with DTE Networks the Agency's IT team.
- Yesterday he spent the day in Sacramento to provide technical testimony to the Senate Environmental Quality Committee on the battery bills, which are currently trending in the right direction.
- He then went over key decision points at today's meeting: a recommendation from staff to enter into parallel negotiations on the operations agreement, a decision and discussion regarding property insurance.

- Finally, he introduced Reyna Ocegüera who joined RethinkWaste as the Environmental Education Coordinator. Ms. Ocegüera formerly worked with Recology of San Bruno as an Commercial Outreach Specialist.

#### 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.*

- Approval of the Minutes from the April 28, 2022 , Board of Directors Meeting
- Resolution Approving the Audited Financial Statements for the period ending December 31, 2021
- Resolution Directing that all meetings of the SBWMA Board of Directors, Technical Advisory Committee and all Board Appointed Subcommittees will continue to be held via teleconference Pursuant to California Government Code Section 54953(e)

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								

#### 5. Administration and Finance

- Resolution Accepting the Findings from the Annual Operational and Financial Systems Audit for 2021

Staff Mangini gave an overview of the staff report and noted that this third-party independent audit verifies that Recology has reported their data accurately. It consists of two parts - the financial audit and the operational audit. The financial audit verifies Recology's revenue reconciliation which generates a surplus/shortfall for each member agency. Overall, both contractors are in substantial compliance with their contract and with their reporting.

Motion/Second: Royce/McCune

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								

- Resolution Approving the Facility Property Insurance Coverage/Premium for Policy Year 2022-23

Executive Director La Mariana gave background and history of how the Agency is continuing to see an upwards trajectory in both costs and the number of carriers that are willing to take on the risk to provide insurance coverage. He noted that before the fire in 2016 the cost for insurance for the entire facility was \$180,000 per year by one insurance carrier. This year the quotes that have come in are for 14 different carriers (there were 7 last year) at a premium cost of \$2.1M. He expressed serious concern that, if there were a significant fire claim incident, going through a claims process would be a nightmare scenario with 14 different carriers (having done it in 2016 with just one carrier).. He also noted that this issue was discussed in depth at the Finance Committee

meeting and their recommendation was to take steps to set up a captive for self-insurance. A special, single-topic Finance Committee meeting will be held on September 13<sup>th</sup> to address this topic and to provide Staff with direction in next steps.

Staff Mangini updated the Board that since the staff report was written the actual 2022-2023 property insurance quote was received and it's \$2,080,000. He also noted that the September 8 Finance Committee meeting would be dedicated to how to move forward with setting up a captive. He introduced John O'Neill of Risk Strategies the Agency's insurance broker.

John O'Neill noted that this has been an especially challenging renewal term as Executive Director La Mariana alluded to in his introduction. At this point the Agency is at a fork in the road with where costs and coverage is now that development a captive to set up the Agency's own captive insurance company is the logical next step. He noted that a captive is self-insuring a portion of the risk and purchasing re-insurance on the balance of the risk. At that September meeting they will educate the finance committee on what's involved in setting up a captive, what's involved, what are the tax requirements, what are the risks etc. He thought it would give the agency much greater control of risk management and insurance activities in the long run.

Member McCune noted that he has captive insurance experience, but the risk was spread over a group of companies that were part of the captive. The risk was pretty low, and the deductibles were pretty high, but it worked really well, and saved the firm a lot of money. He asked if a retention group was a possibility to spread the risk.

Executive Director La Mariana mentioned that he has talked about it extensively in industry meetings, and there is an appetite for others to join, so should be decided to move forward with creating a captive it's a possibility.

Member Brownrigg commented that it does make sense to partner with other waste facilities, so he looked forward to the discussion at the Finance Committee meeting. He noted that creating a captive and purchasing reinsurance does put the agency at significantly higher risk, so there might be a budget problem. He also added that getting that battery legislation passed would help him feel much more comfortable about self-insuring if there was a better solution to the lithium-ion battery problem.

Motion/Second: McCune/Royce/

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								

C. Resolution Approving Mid-Year 2022 Budget Adjustments and the FY2023 Budget Forecast for 2023 Member Agency Tip Fee Projections

Staff Mangini gave an overview of the mid-year budget and provided an overview of where the Agency stands with the approved budget of six months ago. He noted that the budget is stronger than the approved budget due to stronger outlook in commodity pricing, a favorable reassessment of the SB 1383 implementation costs, as well as a reduction in processing costs at Ox Mountain. He also noted that along with the approval of the mid-year budget is the approval of the 2023 forecasted tipping fees, because staff will use these numbers to complete the compensation application process for Recology this fall which then allows the member agencies to set their 2023 rates.

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								

- D. Resolution Approving a Renewal of Contract with Citizen Communications, dba "Recyclist" with Cost Estimator Tool Add-On in an amount not to exceed \$95,000 for SB1383 Recordkeeping Compliance

Staff Carter gave background and overview of the staff report recommending renewal of the contract with Recyclist for SB1383 record keeping compliance, as well as adding an additional cost of \$5,000 to add a cost estimator tool.

There were no questions or comments.

Motion/Second: Rak/Dehn

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								

- E. Resolution Approving the Revised Reserve Policy

Staff Mangini gave an overview of the staff report and explained the recommendation from the Finance Committee to create a sub emergency reserve several years ago, and this action formalizes that change in the reserve policy language.

There were no questions or comments.

Motion/Second: Royce/Brownrigg

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

No Items

## 7. Shoreway Operations and Contract Management

A. Resolution Approving Contract with Pacific Polymers, Inc. DBA American Foam Experts not-to-exceed \$80,120.83 for MRF Administration Office Building Roof Replacement

Staff Nghiem gave a PowerPoint presentation describing the roof replacement project for the MRF Administrative Office building. She noted that leaks in the smaller administrative office building have become a recurring problem, so an RFP for construction of a new roof using a new foam material was released which included a 30% contingency due to multiple unknown factors, as well as the urgency to complete the roof before rains begin this fall. She then gave background information on the challenges of the 3 bids that were received, including proposing square footage different than what the bid documents specified, and different contingency than what the bid documents specified. Based on this and with the advice of legal counsel she decided to evaluate the bids based on dollars per square foot instead of the lump sum total.

Executive Director La Mariana added that legal counsel provided guidance every step of the way, and that the reason staff is requesting to move forward in this manner, and with the high contingency amount is because roof repair needs to be done in the summer before it starts raining.

Member McCune commented that this is not a good way to do this kind of project. The square footage should not be in question on an existing building, and the contingency should be to accommodate weather or timing.

Member Rak asked if there were any legal issues with taking this different approach. Secondly, is the contractor that was determined to be the low bidder with the price per square footage assessment accepting of the smaller contract. Lastly, he noted that he was uncomfortable moving forward given how off the bids were, and all of the contractor's inability to follow a bid process.

Counsel Savaree answered that there is no legal issue with the way staff has determined the lowest bidder. Staff Nghiem answered that she has been communicating with the bidders, and the lowest bidder has agreed to the smaller contract of \$80K including the 30% contingency.

Member Rak asked if staff was confident in the 3,500 square foot number.

Staff Gans answered that he didn't provide square footage, he provided engineers' drawings, and the potential bidders came to visit Shoreway.

Member Rak noted that he was still struggling to understand where the 3,500 square foot number in the bid package came from.

Executive Director La Mariana noted that the area to be replaced is a building within a building which makes it challenging.

Staff Southworth noted that he was on the roof with the potential bidders, and they measured the roof, but noted he should have measured the roof for an exact number in the bid documents.

Member McCune disagreed with the unit price approach on an existing building.

Member Brownrigg asked if this was now a fixed price contract going forward, even though the determination of the lowest bidder was determined based on the unit price. And, if staff didn't stipulate the square footage, why didn't the lowest responsible bid get the contract.

Executive Director La Mariana answered yes, it's now a fixed price contract.

2:47PM Member Abrica now absent

Counsel Savaree gave background of her advice during the bid review process. Staff received 3 bids none of which were responsive. The square footage called for was in the bid documents, but none of the proposers responded to that number. In a perfect world she would have recommended rejecting all bids but given the timing and the desire to complete the work by September, staff and legal counsel tried to come up with a way to compare the bids apples to apples and the way they did that was with a unit price but the contract will be fixed price.

Member Bonilla asked what the existing roofing material consists of, and if staff and the contractors had been on the roof to look at it. He also wondered if there are natural points on the roof to help determine where the new foam roofing will terminate.

Staff Southworth noted that it is currently a PVC membrane roof, and the polyurethane foam roof will work fine in the MRF admin area. He also noted that there are several changes in height and equipment on the roof to help determine the exact area.

Member Bonilla commented that given that he feels comfortable with the contractors submitting their bids for what ever it is that they looked at, but contingency should be for any changes that might come up.

Member Rak commented that he's not supportive of this resolution because he has some concerns about the process.

Member Brownrigg commented that there are several outstanding questions including, the 30% contingency and making sure the contractor is not expecting to receive the full \$80K, and that he was torn but would second the motion.

Motion/Second: Bonilla/Brownrigg

Roll Call Vote: 4-5-0-2

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							

Counsel Savaree asked the board if they wished to reject all bids, and direct staff to go back out into the market again.

Member Bonilla made a motion to reject all bids but negotiate with the low bidder.

Member Rak asked how the low bidder would be determined.

Counsel Savaree answered that staff has already identified who they believe to be the low bidder so if the motion passes staff would negotiate with that bidder and bring the contract back to the board in September.

Member Royce seconded the motion.

Member Rak made a counter motion to reject all bids and rebid the project.

Member Brownrigg noted that he would second that motion as long as the maker of the motion would sign off that the board would give proxy to a board sub committee to sign off so that the full Board doesn't have to have another meeting to get the work completed.

Member Rak accepted the amendment to the motion

Member Bonilla withdrew his motion.

Chair Aguirre asked Member Rak to restate the motion.

Member Rak made a motion to reject all bids, rebid the roof replacement project and create a subcommittee of board members that has the proxy authority to approve the contract with the lowest responsible bidder.

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								

Chair Aguirre asked for volunteers to be on the subcommittee. Board Member McCune, Board Member Bonilla and Board Member Rak will serve on the subcommittee to review the rebid project and approve the contract with the lowest bidder.

- B. Resolution Approving Contract with Zivko Corporation, Inc. dba Metal Building Company not-to-exceed \$319,506 for Shoreway Truck Maintenance Building Roof Replacement

Staff Nghiem gave a PowerPoint presentation on the Shoreway truck maintenance roof replacement project. The current roof is a corrugated metal roof, and the recommendation is to replace the roof with the same type of roof which made this a much more straightforward project than item 7A. One responsive bid was received. She noted that very few contractors specialize in this type of work, and even fewer are interested in public works projects which explains why only one bid was received. She added that the responsive bidder was the original installer of the existing roof in the 1980s, so they are familiar with the roof already, and qualified to do this work. She recommended approval of the contract of \$319,506.00 that includes a 10% contingency.

There were no questions or comments.

Motion/Second: Bonilla/Groom

Roll 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								

- C. Resolution Approving Contract Extension with Republic Services' Newby Island Facility for Organics Material Processing

Executive Director La Mariana gave an overview of the staff report, and background on the agency's organics processing agreements. He noted that the current contract that exists with Newby Island expires at the end of this year and has options for two extension years. In discussions with Newby Island on the extension, Newby has pointed to the additional costs to comply with SB1383 as their reasoning for needing to adjust rates should the extension be approved. He noted that this is two-part increase in costs – one January 1, 2023, and a second one January 1, 2024. This is what staff is recommending to extend the contract for two years. He noted that due to limited capacity of commercial organics processing facilities, he felt that if the Agency did go out to bid at this time the costs would likely be over \$100-\$125 per ton. In addition Newby is the closest organics processing facility to Shoreway which decreases transportation costs that are overlaid on top of the processing cost. For these reasons staff is recommending entering into this two year extension with Newby Island for organics processing.

Member Groom asked if there was any movement on this side of the bay to look into an organics processing facility closer to this side.

Executive Director La Mariana answered yes, they have been trying at Ox Mountain landfill to get an organics processing facility. The challenge is the topography, Ox Mountain is a canyon, and organics facilities need a flat area. And Republic who owns Ox Mountain and Newby hasn't been interested in expanding Ox Mountain to handle organics. He noted that at his time at the county he researched 85 parcels of land in San Mateo County, and none had the egress for the trucks, the topography or they were too close to residential neighborhoods.

Member Brownrigg asked how much of the organic's material collected in the SBWMA programs is food waste versus yard waste.

Staff Gans answered that since COVID numbers have really fluctuated, but prior to COVID the facility collected 100 tons per day of food waste (source separated organics SSO) and shipping 300 tons a day of residential food and yard waste.

Member Brownrigg reminded the board that this material is 25% of what is collected, and the Zero Waste Committee is looking for other opportunities for food waste processing, and he asked staff to increase those efforts rather than sending the material to Newby Island.

Member Rak noted that he's in support of moving forward with staff recommendations but directed staff to use this two year option to explore other options, and move in a different direction.

Motion/Second: Rak/Groom

Roll 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								

D. Staff Update on Operations Agreement RFQ Process and Resolution Authorizing Staff to Proceed with Parallel Negotiations

Staff Nghiem gave a PowerPoint presentation updating the Board on the Operations Agreement RFQ process and timeline. Phase I was the RFQ process which will be completed with today's recommendation

to move forward with the top two responders to the RFO and enter parallel negotiations with both companies. During the parallel negotiations phase final operating agreements will be negotiated with both companies, and a final recommendation and selection of a contractor will be awarded at the November board meeting.

Member Brownrigg asked if staff has determined if both proposers are willing to enter into parallel negotiations.

Executive Director La Mariana answered yes, both parties have agreed to move forward with parallel negotiations.

Motion/Second: Bonilla/Royce

Roll 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 Outreach and Legislation

### A. Mid-Session Legislative Update with EEC

- Update on SB 1215 and AB 2440 (Responsible Battery Recycling Act of 2022)

Staff Au introduced Kayla Robinson from Environmental and Energy Consulting (EEC) to give an update on the current legislative session. She then gave an update on the SBWMA's 3 sponsored bills.

Kayla Robinson gave a PowerPoint presentation updating the board on the legislative session and the Agency's 3 sponsored and bills. She gave an overview of the timeline of the current legislative session.

**SB 1215/SB 2440 – Battery Recycling Legislation.** These bills were mirrored bills in each of the houses until last week, but given productive conversations with opposition, the bills were split into two different proposals for the legislature which tackle two different types of batteries: loose batteries and embedded batteries. Opposition wanted to expand the existing e-waste recycling program to deal with embedded batteries, and there was a lot of support around perusing that option. She noted that because the e-waste program is a fee-based program it does need a 2/3 vote to pass out of legislature which is a much harder vote. So, SB 1215 has been amended to expand the e-waste program to include products with embedded batteries, but AB 2440 has the original extended producer model language. She added that if SB 1215 passes AB 2440 will only cover loose batteries if SB 1215 does not pass AB 2440 will cover both loose batteries and batteries embedded in products.

**AB 1985 – SB 1383 Procurement Requirements.** EEC has been negotiating with CalRecycle on this legislation to offer relief to local agencies on SB 1383 procurement requirements. She noted that CalRecycle has come forward with technical assistance, and they are comfortable with a 2-year phase in of the requirements to give local agencies extra time, but they have held strong in that they don't want to expand the list of eligible procurement products, which is disappointing to the co-sponsors of the bill.

Executive Director La Mariana gave an overview of what the SB 1383 procurements are and noted that in the SBWMA service area our requirement is 30,000 tons of finished compost or mulch per year. So, staff

views the discussions with CalRecycle so far as a partial step in the right direction, but unless they relax their interpretation of what this material is and how much is required, what they've offered so far just kicks the can down the road two years. And there is not enough room in our urbanized service area for that amount of material.

**SB 54 – Plastic Producer Responsibility.** This bill isn't sponsored by the SBWMA but is being watched. There is a similar ballot initiative on the November ballot that the SBWMA has endorsed. She noted that there has been a shift in the last 24 hours on SB 54. It is the legislature's attempt to strike a deal with industry on plastic producer responsibility and remove the initiative from the ballot. By the end of June, they must convince the three signatories of the initiative to remove the initiative. She noted that positions are currently split on this bill, but things are changing rapidly. The bill is now set to be heard in the Assembly Natural Resources Committee on Monday. If the bill passes, they still must convince the signatories of the initiative to remove the ballot initiative.

Member Brownrigg commented that he thought the agency was right to focus on the battery bills but thought that plastics are a high priority for the residents. He suggested that if SB 54 doesn't pass, the ballot initiative get agendized so that SBWMA Board members know what to do to support it.

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

- A. 2022 Finance and Rate Setting Calendar
- B. Check Register Detail for April 2022
- C. 2022 Meeting Planning Guide

#### 10. Site Optimization Study Input Session

Executive Director La Mariana gave a background on the project and the groups staff has and plans to meet with to get input on this project. He introduced SCS Engineers the firm the Agency has contracted with the write a recommendations report for site improvements. This document will be in draft form to the board at the October study session. He then gave a list of what the Agency is considering as a result of meetings with the Agencies committees thus far:

- Enhanced functionality of site operations
- Emergency Storage
- Fleet and employee parking
- Office and conference areas for both Agency Staff and Contractors
- National and/or international leadership in education
- Storage
- Programming
- New material handling and processing systems.

Rob Kalkbrenner of Common Goal Consulting is serving as project manager for this project. He introduced Jim Porter a sub-contractor of SCS Engineers who will be writing the draft report.

Jim Porter asked the board for input on the following:

- What is working on the site?
- What could be improved on the site?
- What are the programs you'd like to see on the site?
- What programs might not belong on the site?

Executive Director La Mariana gave some thoughts to get the discussion going noting that some of the

input that has been received so far includes, inadequate parking, the need for emergency storage for processed recyclables, aspirations for an expanded-on-site world-class education center, issues with traffic flow.

Member Rak commented that he felt he would need a full site tour to be most helpful in this conversation.

Executive Director La Mariana noted that he would get some dates on the calendar to reacquaint board members with the site.

Jim Porter asked for the Board's feedback on office space on site, since currently the SBWMA staff is at the San Carlos library.

Member Brownrigg commented that he too would like a refresh tour, he noted these questions are highly operational and as board members that's not necessarily our domain. So, he didn't have a strong opinion on many of these, and would respect management's opinion. He would like to see the agency being a leader in the state, and more space for partnerships with leading edge recyclable and regenerative technology and making room for electric powering the collection fleet all require more space, and he wants to ensure that space constraints don't constrain ambitions.

Member Royce agreed that he couldn't counsel on what should or should not be on the site, but he recommended looking at similar sites around the country/world for best practices to learn from. He also noted that the number one function of the site is operations, but if the site is going to play a leadership role, we need to look at partnerships, and educational opportunities.

Chair Aguirre commented that the board's role is to create policy to get things moving forward not to give technical advice, so she asked for a budget, and more details on how these things tie to the mission statement to help guide the dreams.

Member Groom suggested putting this discussion back on the agenda next meeting after the tours, she agreed with developing better signage. She also asked for refresher signage for residents, especially in multi-family units.

Member Bonilla noted that he thought the site does need to be optimized and was impressed with the thinking so far. He recommended an employee parking garage, reorganize what buildings go where, and signage for wayfinding. He also noted that he's concerned about education similar to Member Groom people are unclear about hard to recycle items like Styrofoam.

Member Dehn asked to consider a mobile education center, because Shoreway is not easy to get to, and this way the education team out to the public.

Jim Porter summarized the comments of being a leader and following best practices that the technical minds working on this project would take into consideration.

Rob Kalkbrenner commented that if any thoughts come up, get them to staff and we'll include them.

## 11. Board Member Comments

## 12. Adjourn 4:41PM

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Joe La Mariana, Executive Director  
Joanne Nghiem, Senior Management Analyst  
**Date:** September 22, 2022 Board of Directors Meeting  
**Subject:** Resolution Approving Contract Amendment #2 with HF&H Consultants not-to-exceed \$62,665 for SBWMA Operating Agreement RFP Technical Support

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2022-40 attached hereto authorizing the following action:

**Authorize the Executive Director to Execute Contract Amendment #2 with HF&H Consultants not-to-exceed \$62,665 for SBWMA Operating Agreement RFP Technical Support.**

### Summary

Due to the additional scope of work and level of effort involved in Phase 2, parallel negotiations, of the Shoreway Environmental Center (SEC) Operations Agreement procurement process, Staff recommends Board approval of HF&H Consultants, LLC (HF&H Consultants) contract modification #2. All service will continue to be provided on a time and materials basis.

Several additional Phase 2, parallel negotiations process, activities have been identified for execution that were not included in the base contract or Amendment #1, including:

1. **Additional August 2022 Ad Hoc Board Selection Committee (AHBSC) meeting**
  - a. Prepare meeting agenda and presentation
  - b. Attend meeting and lead presentation
2. **Additional ten (10) Negotiation sessions**
  - a. Prepare pre- and post- meeting agendas
  - b. Attend meetings
  - c. Prepare meeting notes
  - d. Track open negotiating items
3. **Level of effort due to additional revised cost proposals submitted by proposers**
  - a. Prepare request for clarifications following receipt of Phase 2 revised cost proposals
  - b. Review and summarize another set of revised cost proposals (September)
  - c. Review and summarize another set of revised cost proposals (October)
  - d. Review and summarize another set of revised cost proposals (November)
4. **Additional level of effort on the Operations Agreement**
  - a. Prepare one additional redline of the Operations Agreement for each proposer
  - b. Prepare cost-based adjustment attachment

c. Review/revise Materials Recovery Facility (MRF) characterization attachment

A detailed projection of proposed Amendment #2 hours and costs are provided in Exhibit A.

**Analysis.**

Staff has carefully reviewed the proposed scope of additional services by HF&H Consultants, and finds it to be justified due to the necessity to maintain this high profile project's critical path milestones.

**Background**

The current Shoreway Operations Agreement term with South Bay Recycling (SBR) began on January 1, 2011 and will expire on December 31, 2023, at which time a new agreement will need to be in place. Due to the size (\$20M per year) and complexity of the existing Operating Agreement, Staff recommended, and on March 25, 2021, the Board approved a two (2) year Work Plan (March 2021 – January 2023) for issuing a Request for Proposals (RFP) for selection of a contractor to operate the Shoreway Recycling and Disposal Center, beginning on January 1, 2024.

On that same date, the Board approved a contract with HF&H Consultants for a total of \$295,254 to aid in the development of the RFP by providing a broad variety of highly technical services including preparation and distribution of complex RFP documents, bid sheets, financial analysis, negotiation, and preparation of final contract documents.

In addition, due to the extended staff vacancy of the Management Analyst position, that became vacant in late-October 2021 and filled in March 2022, the Board approved Amendment #1 with HF&H Consultants for a not-to-exceed \$96,970 for Operations Agreement RFP Phase 1 technical support on January 27, 2022.

The project workplan included six negotiation meetings total and a level effort to prepare one modified Operations Agreement. During Phase 1 of the procurement process, the proposal submitted by the proposers included a significantly higher number of contract exceptions than expected and the cost proposals showed a large increase over current costs. With the goal of reducing costs and balancing risk in the contract terms and conditions, the number of negotiations meetings and intermediate cost proposals increased to develop finalized operating agreements and cost proposals. In addition, due to the unique attributes of each proposer and different approaches to the contract modifications, a separate version of the Agreement for each proposer was needed, increasing HF&H Consultants level of effort. Due to these expanded negotiation activities, an additional AHBSC meeting was needed to inform them about the process and receive input on key contract modifications. Because this work has incredible time sensitivity, Staff recommends increasing the duties of HF&H Consultants to maintain the integrity of the workplan's crucial deliverables.

**Fiscal Impact**

Of the \$79,065 that is anticipated to be incurred with the assignment of this additional work to HF&H Consultants, \$16,400 will be funded from the remaining contingency funds. The remaining \$62,665 projected for these services will be included in the FY2023 budget planning process.

**Attachments:**

Resolution 2022-40

Exhibit A – HF&F Consultants Amendment #2

Exhibit B – HF&H Consultants Amendment #2 Letter and Cost Estimate



## RESOLUTION NO. 2022-40

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD APPROVING CONTRACT AMENDMENT 2 WITH HF&H CONSULTANTS NOT-TO- EXCEED \$62,665 FOR SBWMA OPERATION AGREEMENT RFP TECHNICAL SUPPORT

**WHEREAS**, in the South Bayside Waste Management Authority (SBWMA) is responsible for managing the Shoreway Facility and Site Operations Agreement; and

**WHEREAS**, On March 25, 2021, the Board approved a contract with HF&H Consultants to work collaboratively with Agency Staff to maximize the expertise and knowledge of each organization while minimizing costs. All services are provided on a time and materials basis; and

**WHEREAS**, On January 27, 2022, the Board approved Amendment 1 with HF&H Consultants to provide technical support due to an extended staff vacancy; and

**WHEREAS**, Additional technical services have been identified for during the RFP process to date, to expand; and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves the execution of Amendment 2 of a contract with HF&H Consultants attached hereto as Exhibit A.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22<sup>nd</sup> day of September, 2022, 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. 2022-40 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on September 22, 2022.

ATTEST:

\_\_\_\_\_  
Alicia Aguirre, Chairperson of SBWMA

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

**SECOND AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY AND HF&H CONSULTANTS for developing an RFP and subsequent contract for Shoreway Environmental Center operations**

This document constitutes the Second Amendment to the Agreement for Professional Services entered into as of the 22<sup>nd</sup> day of September, 2022 by and between the South Bayside Waste Management Authority, hereinafter “SBWMA”, and HF&H Consultants hereinafter “Consultant”.

**RECITALS**

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

WHEREAS, on March 25, 2021, SBWMA and Consultant entered into an Agreement for Professional Services for developing an RFP and subsequent contract for Shoreway Environmental Center (SEC) operations and

WHEREAS, on January 27, 2022, the Board approved Amendment 1 with HF&H Consultants to provide technical support due to an extended staff vacancy and

WHEREAS, Consultant has indicated that the scope of work needs to be revised due to the additional level of effort involved in Phase 2, parallel negotiations, of the SEC Operations Agreement procurement process; and

WHEREAS, the Agreement for Professional Services is hereby amended to reflect the following changes.

Based upon the foregoing Recitals SBWMA and Consultant agree to the following terms:

- I. Section: **Exhibit A, Scope of Work**, shall consist of the original tasks in the consultant’s scope of work and first amendment with this amendment recognizing that the level of effort for Tasks 4 through 7 has been expanded due to the additional level of effort on the part of the consultant necessary in Phase 2, parallel negotiations, of the procurement process, including, but not limited to the following:
  - A. Additional August 2022 Ad Hoc Board Selection Committee (AHBSC) meeting
    - a. Prepare meeting agenda and presentation
    - b. Attend meeting and lead presentation
  - B. Additional ten (10) Negotiation sessions

- a. Prepare pre- and post- meeting agendas
- b. Attend meetings
- c. Prepare meeting notes
- d. Track open negotiating items
- C. Level of effort due to additional revised cost proposals submitted by proposers
  - a. Prepare request for clarifications following receipt of Phase 2 revised cost proposals
  - b. Review and summarize another set of revised cost proposals (September)
  - c. Review and summarize another set of revised cost proposals (October)
  - d. Review and summarize another set of revised cost proposals (November)
- D. Additional level of effort on the Operations Agreement
  - a. Prepare one additional redline of the Operations Agreement for each proposer
  - b. Prepare cost-based adjustment attachment
  - c. Review/revise Materials Recovery Facility (MRF) characterization attachment

II Section 4 **Compensation, Expenses and Payments** shall be amended as follows:

Payment authorized by this amendment shall not exceed \$62,665 for a total contract Not to Exceed amount of \$454,889.

C. All other terms and conditions of the Agreement for Professional Services shall remain in force and effect.

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

SOUTH BAYSIDE WASTE MANAGEMENT  
AUTHORITY:

\_\_\_\_\_  
Joe La Mariana, Executive Director

DATED: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
Jean B. Savaree, SBWMA Attorney

DATED: \_\_\_\_\_

CONSULTANT:

By: \_\_\_\_\_  
Rob Hilton, President, HF&H Consultants, LLC

DATED: \_\_\_\_\_

NOTICE TO PROCEED

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

DATED: \_\_\_\_\_

590 Ygnacio Valley Road, Suite 105  
Walnut Creek, California 94596  
Telephone: 925/977-6950  
[www.hfh-consultants.com](http://www.hfh-consultants.com)

Robert D. Hilton, Emeritus  
John W. Farnkopf, PE  
Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA  
Rob Hilton

September 9, 2022

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

**Subject: HF&H PSA for SEC Operator Procurement, Request for Amendment Two**

Dear Joe,

HF&H appreciates the engagement with the South Bayside Waste Management Authority (SBWMA) on the Shoreway Environmental Center (SEC) procurement process to select and contract with the future facility operator. Our March 25, 2021 Professional Services Agreement (PSA) for this project includes a scope of work and compensation estimate developed in January 2021. Now, over 1.5 years later, we are conducting Phase 2 project activities, including negotiations with two proposers; preparation of several redlines versions of the Operations Agreement; review and finalization of the cost proposals; and other tasks. As the project has unfolded, the Phase 2 level of effort has expanded beyond the original scope of work in terms of the number of meetings, redline drafts of the Operations Agreement, and cost proposal revisions.

Given the expanded level of effort, we are requesting augmentation of HF&H's scope and increased compensation of \$79,065. To reduce the overall impact of this request, the SBWMA can allocate the remaining contingency funds (\$16,400). If these funds are allocated to the expanded scope, the net compensation increase will be \$62,665. On the following page you will find the cost estimate for the additional work.

We appreciate working as a partner with you. In the spirit of that partnership, we are investing in the project and have not requested compensation for all additional effort we are putting into this important project (such as participation in numerous additional meetings with the SBWMA and legal team and expanded level of coordination and integration of input from multiple persons on the Operations Agreement). Thank you in advance for consideration of this request.

Very truly yours,  
HF&H CONSULTANTS, LLC



Rob Hilton  
President

Attachment

**ATTACHMENT  
AMENDMENT TWO COST ESTIMATE**

	Inputs	RCH \$305	TAS \$285	AEC \$160	DRD \$200	Admin \$115	Total Hours	Total Cost
<b>1 Additional AHBSC Meeting</b>								
Prepare meeting agenda and presentation	1	0	12	0	0	0	12	\$3,420
Attend meeting	1	1	2	0	0	0	3	\$875
<b>Total Task</b>		<b>1</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15</b>	<b>\$4,295</b>
<b>2 Additional Negotiating Sessions</b>								
Prepare pre- and post-meeting agendas	10	0	20	0	0	0	20	\$5,700
Attend meetings; prepare meeting notes	10	40	60	8	0	0	108	\$30,580
Track open negotiating items	10	0	20	0	0	0	20	\$5,700
<b>Total Task</b>		<b>40</b>	<b>100</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>148</b>	<b>\$41,980</b>
<b>3 Additional Level of Effort on Cost Proposals</b>								
Request for clarifications following Phase 2 revise cost proposals		0	3	0	3	0	6	\$1,455
Review and summarize another revised set of cost proposals (Sep)		1	8	0	18	0	27	\$6,185
Review and summarize another revised set of cost proposals (Oct)		1	8	0	12	0	21	\$4,985
Review and summarize another revised set of cost proposals (Nov)		1	8	0	12	0	21	\$4,985
<b>Total Task</b>		<b>3</b>	<b>27</b>	<b>0</b>	<b>45</b>	<b>0</b>	<b>75</b>	<b>\$17,610</b>
<b>4 Additional Level of Effort on Operations Agreement</b>								
Prepare one add'l redline of Agreement for each proposer		3	24	16	0	0	43	\$10,315
Prepare cost-based adjustment attachment		1	12	0	0	0	13	\$3,725
Review/revise MRF residue characterization attachment		0	4	0	0	0	4	\$1,140
<b>Total Task</b>		<b>4</b>	<b>40</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>60</b>	<b>\$15,180</b>
<b>Total Amendment Two Budget Request</b>		<b>47</b>	<b>167</b>	<b>24</b>	<b>45</b>	<b>0</b>	<b>283</b>	<b>\$79,065</b>
Available contingency budget								(\$16,400)
<b>Net Budget Increase if Contingency and Task 7 Budgets are Reallocated</b>								<b>\$62,665</b>



## STAFF REPORT

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To: SBWMA Board Members  
From: Jean B. Savaree, SBWMA Legal Counsel  
Date: September 22, 2022 Board of Directors Meeting  
Subject: Resolution Approving an Updated Conflict of Interest Code

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2022-41 attached hereto approving the revised Conflict of Interest Code.

### Background

The Political Reform Act of 1974, approved by the voters, requires State and local government agencies to adopt a Conflict of Interest Code ("Conflict Code"). SBWMA has adopted a Conflict Code. State law also requires SBWMA to periodically update its Conflict Code by adopting by reference the terms of 2 California Code of Regulations §18730, as may, from time to time, be amended by the Fair Political Practices Commission ("FPPC").

The Conflict Code must list each employee and/or Board position within SBWMA that makes or participates in the making of governmental decisions. Individuals employed in these positions are called "designated employees." In addition, certain consultants to public agencies must also file disclosure forms because they make or participate in making governmental decisions on behalf of the SBWMA.

The Conflict Code reviewing body for SBWMA is the Board of Directors. Periodically, the Conflict Code reviewing body, by resolution, must update the list of designated employees and/or Board positions shown in the Appendix and make any other changes needed to comply with State law. This year, amendments are recommended for the designation positions.

For this review cycle, the Conflict Code has been amended to add new designated positions: Alternate Members of the Board of Directors, Program Manager I, and Management Analyst II/III, and to revise the titles of other designated positions: Sr. Program Manager III, & Program Manager II. See Exhibit A, Designated Positions, attached to the Resolution.

These updates are shown in ~~strikeout~~ and **bold** in the attached Resolution as required by the Fair Political Practices Commission.

After Board approval, the attached Notice of Intention to Adopt or Amend a Conflict of Interest Code will be distributed to each Designated Position shown in the Appendix. If no comments are received during the 45-day comment period, the Conflict of Interest Code will be forwarded to the County Board of Supervisors for final approval.

## Fiscal Impact

There is no fiscal impact associated with this Board action.

### Attachments:

Resolution 2022-41

Exhibit A - SBWMA Revised Conflict of Interest Code

Exhibit B - Notice of Intention to Amend a Conflict of Interest Code



## RESOLUTION NO. 2020-41

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY UPDATING THE AGENCY'S CONFLICT OF INTEREST CODE

**WHEREAS**, pursuant to previously adopted Resolution, the Board of Directors of the South Bayside Waste Management Authority adopted a Conflict of Interest Code as required by the Political Reform Act of 1974 (California Government Code 81000 et seq.); and

**WHEREAS**, California Government Code Section 87306.5 requires that the South Bayside Waste Management Authority review its Conflict of Interest Code every even-numbered year and revise it if necessary; and

**WHEREAS**, the Conflict of Interest Code has been reviewed and the changes shown as strikeout and **bold** are proposed; and

**WHEREAS**, the Board of Directors has determined that the proposed changes are appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Bayside Waste Management Authority that the attached Conflict of Interest Code is hereby amended, in the form presented to the Board of Directors (Exhibit A); and

BE IT FURTHER RESOLVED that if no comments are received pursuant to the 45-day written comment period, there will be no additional public hearing on the proposed code; and

BE IT FURTHER RESOLVED that the Clerk of the Board of Directors is directed to transmit a copy of the Amended Conflict of Interest Code ("Code") to the Board of Supervisors of the County of San Mateo for its review and approval; and

BE IT FURTHER RESOLVED that the effective date of the amended Code shall be upon its approval by the Board of Supervisors and, unless and until the Code is so approved, that the Code previously adopted by the South Bayside Waste Management Authority shall continue in full effect.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 22<sup>nd</sup> day of September, 2022, 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 District				
Menlo Park									

I HEREBY CERTIFY that the foregoing Resolution No. 2022-41 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on September 22, 2022.

ATTEST:

\_\_\_\_\_  
Alicia Aguirre, Chairperson of SBWMA

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

## CONFLICT OF INTEREST CODE

### SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Section 1. Purpose. Pursuant to the provisions of Government Code Sections 87300, et seq., the South Bayside Waste Management Authority (SBWMA) hereby adopts the following Conflict of Interest Code. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 81000). The provisions of this Code are additional to Government Code Section 87100 and other laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions of said Act and regulations adopted pursuant thereto are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

Section 2. Designated Positions. The positions listed on **Attachment A**, attached hereto and by this reference incorporated herein, are Designated Positions. Each officer and employee holding a position listed on Attachment A is a Designated Employee and is required to file a disclosure statement (as prescribed hereinafter) on any decision which the said officer or employee may make or in which said officer or employee may participate, that may foreseeably have a material effect on a financial interest. The Executive Director, or his or her designee, may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with the disclosure requirements in this section. Such written determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Government Code Section 81008.)

Nothing herein excuses any consultant from any other provision of this Conflict of Interest Code, specifically those dealing with disqualification.

Section 3. Disclosure Statement. Designated Positions shall be assigned to one or more of the disclosure categories as contained in the Fair Political Practices Commission (FPPC) Form 700, as set forth on Attachment A. Each Designated Employee shall file an annual statement disclosing that employee's interest in investments, real property, and income, designated in **Attachment B**, attached hereto and by this reference incorporated herein, as reportable under the category to which the employee's position is assigned on Attachment A.

Section 4. Time and Place of Filing.

(a) All designated officers and employees required to submit a statement of financial interests shall file the original with the Clerk of the Board of Directors of SBWMA, the filing official. Upon receipt of the statements, the Clerk of the Board of

Directors of SBWMA shall make and retain copies and forward the originals of these statements to the San Mateo County Clerk as filing officer.

(b) Employees appointed, promoted or transferred to designated positions shall file initial statements within 30 days after date of employment.

(c) Annual statements shall be filed no later than April 1<sup>st</sup> of each year by all designated officers and employees. Such statements shall cover the period of the preceding calendar year.

(d) A designated officer or employee who leaves an office shall file, within 30 days of leaving office, a leaving office statement.

Section 5. Contents of Disclosure Statements. Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the Clerk of the Board of Directors of SBWMA.

Section 6. Disqualifications. Designated officers or employees must disqualify themselves from making or participating in the making of any decisions in which they have a reportable financial interest, when it is reasonably foreseeable that such interest may be materially affected by the decision. No designated officer or employee shall be required to disqualify himself with respect to any matter which could not be legally acted upon or decided without his participation.

**ATTACHMENT A**  
**DESIGNATED POSITIONS**

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of the Board of Directors	1
<b>Alternate Members of the Board of Directors</b>	<b>1</b>
Executive Director	1
Authority's Attorney	1
Sr. Operations and Engineering Manager	1
Sr. Finance Manager	1
<b>Sr. Program Manager III</b>	<b>1</b>
<b>Program Mgr. II — <del>Outreach &amp; Communications</del></b>	<b>1</b>
<b>Program Manager I</b>	<b>2</b>
Outreach & Communications Associate/Coordinator	3
Clerk of Board/Executive Assistant	3
<del>Program Mgr. II - Environmental Education Manager</del>	2
Environmental Education Associate/Coordinator	3
Sr. Facility Projects Engineer	1
<b>Management Analyst II/III</b>	<b>1</b>

## **ATTACHMENT B**

Category 1. Persons in this category must disclose all investments in business positions in business entities, doing business in, and sources of income and interests in real property, within the jurisdictional area of the SBWMA.

Category 2. Persons in this category must disclose all investments and business positions in business entities in or doing business within the jurisdictional area of the SBWMA.

Category 3. Persons in this category must disclose all investments and business positions in business entities and sources of income which provide, manufacture or supply services, supplies, materials, machinery or equipment of the type utilized by or subject to review or approval of the member entities of the SBWMA.

# **ATTACHMENT B**

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

### NOTICE OF INTENTION TO AMEND A CONFLICT OF INTEREST CODE

NOTICE IS HEREBY GIVEN that the South Bayside Waste Management Authority intends to amend its Conflict of Interest Code pursuant to Government Code Section 87300 and 87306. Pursuant to Government Code Section 87302, the Code will designate employees and/or Board positions who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on September 25, 2020 and terminating on November 9, 2020. Any interested person may present written comments concerning the proposed code no later than November 9, 2020 to the South Bayside Waste Management Authority, 610 Elm Street, Suite 202, San Carlos, California 94070. No public hearing on this matter will be held unless any interested person or his or her representative requests no later than 15 days prior to the close of the written comment period, a public hearing.

The South Bayside Waste Management Authority has prepared a written explanation of the reasons for the designations and the disclosure responsibilities and has available all of the information upon which its proposal is based.

This year, amendments to the designated positions are recommended.

The Conflict Code has been amended to add in new designated positions: Outreach & Communications Coordinator and Sr. Facility Projects Engineer. The employee in the Outreach & Communications Coordinator position will be required to file yearly statements of economic interest using Category 3, disclosure of all investments and business positions in business entities and sources of income which provide, manufacture or supply services, supplies, materials, machinery or equipment of the type utilized by or subject to review or approval of the member entities of the SBWMA. The employee in the Sr. Facility Projects Engineer position will be required to file yearly statements of economic interest using Category 1, disclosure of all investments in business positions in business entities, doing business in, and sources of income and interests in real property, within the jurisdictional area of the SBWMA.

The Conflict Code has been amended to revise the titles of other designated positions: Sr. Operations & Engineering Manager, Program Mgr. II – Outreach & Communications, Clerk of Board/Executive Assistant, Program Mgr. II – Environmental Education, and Environmental Education Associate/Coordinator. No change has been made to the reporting categories for these positions.

The language revisions proposed are shown with ~~strikeout~~ and **underscoring**.

Copies of the proposed code and all of the information upon which it is based may be obtained from the South Bayside Waste Management Authority. Any inquiries concerning the proposed code should be directed to the Executive Director, Joe La Mariana, (650) 802-3500; [jlamariana@rethinkwaste.org](mailto:jlamariana@rethinkwaste.org).

NOTE: This notice should be filed with the Office of the Assessor-County Clerk-Recorder and served individually on agency employees and officers affected by this code 45 days prior to agency action.

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

### NOTICE OF INTENTION TO AMEND A CONFLICT OF INTEREST CODE

NOTICE IS HEREBY GIVEN that the South Bayside Waste Management Authority intends to amend its Conflict of Interest Code pursuant to Government Code Section 87300 and 87306. Pursuant to Government Code Section 87302, the Code will designate employees and/or Board positions who must disclose certain investments, income, interests in real property and business positions, and who must disqualify themselves from making or participating in the making of governmental decisions affecting those interests.

A written comment period has been established commencing on September 25, 2020 and terminating on November 9, 2020. Any interested person may present written comments concerning the proposed code no later than November 9, 2020 to the South Bayside Waste Management Authority, 610 Elm Street, Suite 202, San Carlos, California 94070. No public hearing on this matter will be held unless any interested person or his or her representative requests no later than 15 days prior to the close of the written comment period, a public hearing.

The South Bayside Waste Management Authority has prepared a written explanation of the reasons for the designations and the disclosure responsibilities and has available all of the information upon which its proposal is based.

This year, amendments to the designated positions are recommended.

The Conflict Code has been amended to add in new designated positions: Outreach & Communications Coordinator and Sr. Facility Projects Engineer. The employee in the Outreach & Communications Coordinator position will be required to file yearly statements of economic interest using Category 3, disclosure of all investments and business positions in business entities and sources of income which provide, manufacture or supply services, supplies, materials, machinery or equipment of the type utilized by or subject to review or approval of the member entities of the SBWMA. The employee in the Sr. Facility Projects Engineer position will be required to file yearly statements of economic interest using Category 1, disclosure of all investments in business positions in business entities, doing business in, and sources of income and interests in real property, within the jurisdictional area of the SBWMA.

The Conflict Code has been amended to revise the titles of other designated positions: Sr. Operations & Engineering Manager, Program Mgr. II – Outreach & Communications, Clerk of Board/Executive Assistant, Program Mgr. II – Environmental Education, and Environmental Education Associate/Coordinator. No change has been made to the reporting categories for these positions.

The language revisions proposed are shown with ~~strikeout~~ and underscoring.

Copies of the proposed code and all of the information upon which it is based may be obtained from the South Bayside Waste Management Authority. Any inquiries concerning the proposed code should be directed to the Executive Director, Joe La Mariana, (650) 802-3500; [jlamariana@rethinkwaste.org](mailto:jlamariana@rethinkwaste.org).

NOTE: This notice should be filed with the Office of the Assessor-County Clerk-Recorder and served individually on agency employees and officers affected by this code 45 days prior to agency action.



## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** John Mangini, Senior Finance Manager  
**Date:** September 22, 2022 Board of Directors Meeting  
**Subject:** Approval of Quarterly Investment Report for the Quarter Ended March 31, 2022

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### 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 March 31, 2022, the investment portfolio was compliant 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 March 31, 2022, funds in the amount of \$34,389,240 were invested, producing a weighted average yield of 0.37%.

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

	<b>Qtr Ended 12/31/21</b>	<b>Qtr Ended 3/31/22</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 34,361,601	\$ 34,389,240	\$ 27,639
Weighted Average Return	0.33%	0.37%	0.04%
Interest/Dividends Earnings	\$ 30,001	\$ 31,241	\$ 1,240

The total quarter-end portfolio balance increased by \$27,639 when compared with the previous quarter. The increase is primarily due to interest earned during the quarter. Total interest and dividend earnings were slightly higher than the previous quarter, due to the increased investment balance and a slightly higher average return.

A table comparison of the portfolio components is provided below:

	<b>12/31/2021 Balance</b>	<b>% of Total</b>	<b>3/31/2022 Balance</b>	<b>% of Total</b>	<b>Change over Prior Quarter</b>
SM County Pool	\$ 9,518,081	27.7%	\$ 9,538,795	27.7%	\$ 20,714
LAIF	12,381,550	36.0%	12,387,551	36.0%	6,001
Bond Accounts	12,461,970	36.3%	12,462,894	36.2%	924
<b>Total Portfolio</b>	<b>\$ 34,361,601</b>	<b>100.0%</b>	<b>\$ 34,389,240</b>	<b>100.0%</b>	<b>\$ 27,639</b>

Note: There may be minor differences in totals as individual amounts are rounded

Due to arbitrage restrictions, bond investments are not included in our Local Agency Investment Fund (LAIF) rate or investment pool comparison. As of March 31, 2022, the bond cost of issuance and project accounts of approximately \$12.5 million were invested with the trustee in cash and short-term investments

As of March 31, 2022, investment in the County Investment Pool totaled 43.5% of SBWMA's funds available for investment pools (see Attachment 1), while the investment in LAIF totaled 56.5%. These percentages are within the range specified by the SBWMA Board.

The weighted average yield of the portfolio in the quarter excluding the bond proceeds was .51%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending March 31, 2022, was 0.23%, higher than the 0.32% in the prior quarter. The San Mateo County Pool average yield for the quarter was 0.87%, slightly higher than the 0.86% in the prior quarter.

Derek Rampone, the Assistant Director of Administrative Services of the City of Redwood City, has reviewed this report before presentation to the Board.

**Attachments**

- A – Summary of All Investments for Quarter Ending March 31, 2022
- B – Investment Portfolio 3/31/2022 - Chart
- C – Historical Summary of Investment Portfolio

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

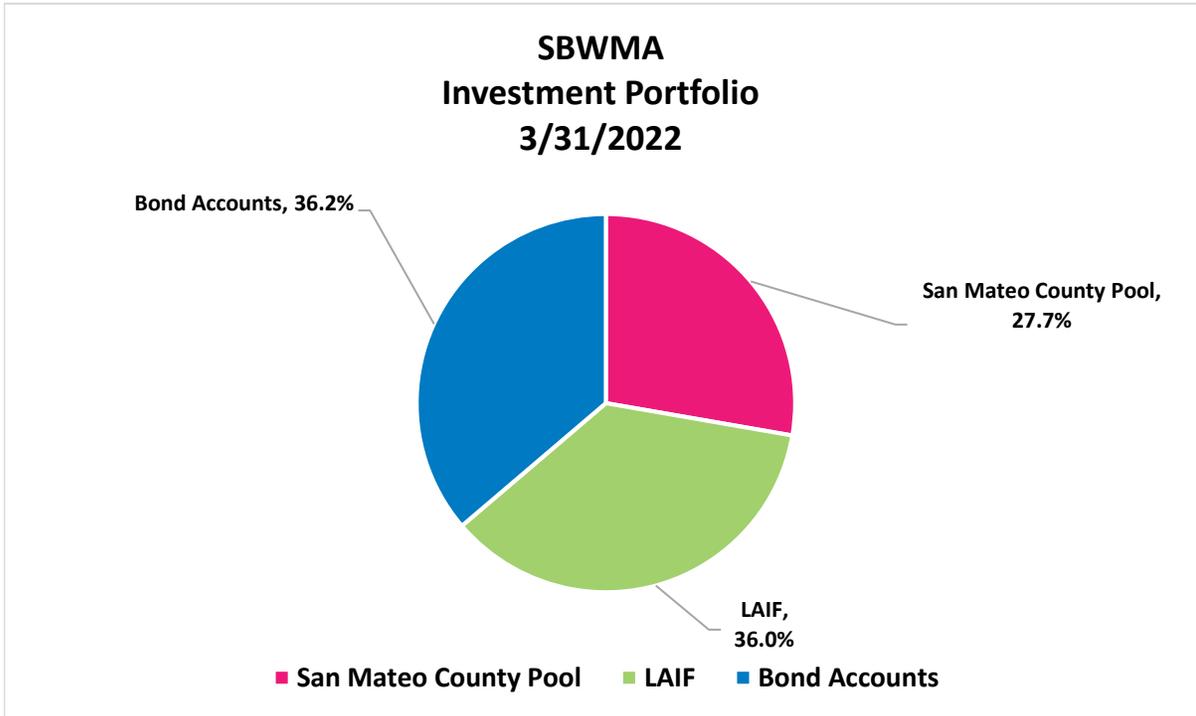
SUMMARY OF ALL INVESTMENTS  
For Quarter Ending March 31, 2022

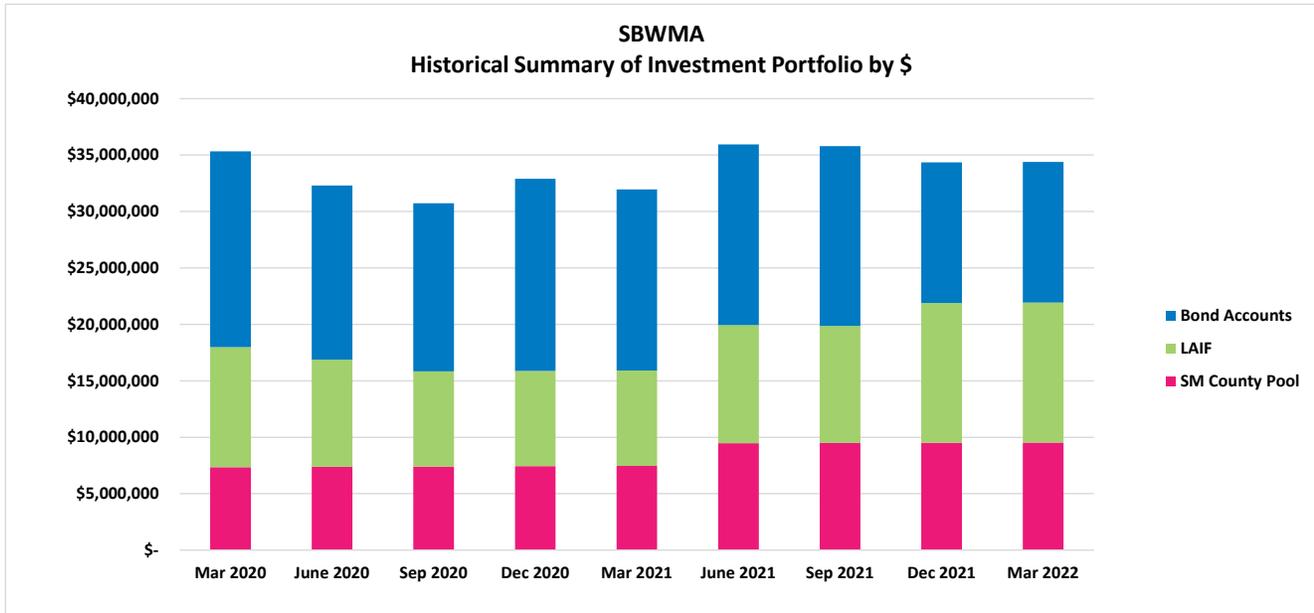
Category	Rate of Return	Historical Cost	% of Portfolio	Market Value*	Interest/Dividend Earned
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	0.87%	\$ 9,538,795	43.5%	\$ 9,319,440	\$ 20,514
Local Agency Investment Fund (LAIF)	0.32%	12,387,551	56.5%	\$ 12,248,235	9,762
	Weighted Average				
<b>Total - Investments</b>	<b>0.56%</b>	<b>21,926,346</b>	<b>100.0%</b>	<b>21,567,675</b>	<b>30,276</b>
	Rate of Return				
<b>Bond Accounts - Cash with Fiscal Agents</b>					
BNY - 2009A Reserve Fund	0.00%	-		-	-
BNY - 2009A Payment Fund	0.00%	-		-	-
BNY - 2019AB Payment Fund	0.20%	10		10	10
BNY - 2019AB Refunding Costs Fund	0.00%	1		1	-
BNY - 2019AB Refunding Project Fund	0.03%	12,462,883		12,462,883	955
<b>Total - Bond Accounts</b>	<b>0.03%</b>	<b>12,462,894</b>		<b>12,462,894</b>	<b>965</b>
	Weighted Average				
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>0.37%</b>	<b>\$ 34,389,240</b>		<b>\$ 34,030,569</b>	<b>\$ 31,241</b>
<b>Total Interest/Dividend Earned This Quarter</b>					<b>31,241</b>
<b>Total Interest/Dividend Earned Fiscal Year-to-Date</b>					<b>31,241</b>

**Note: SBWMA Board approved the following investment mix at its January 11, 2022 meeting:**

LAIF - up to 80%  
COPOOL - up to 80%

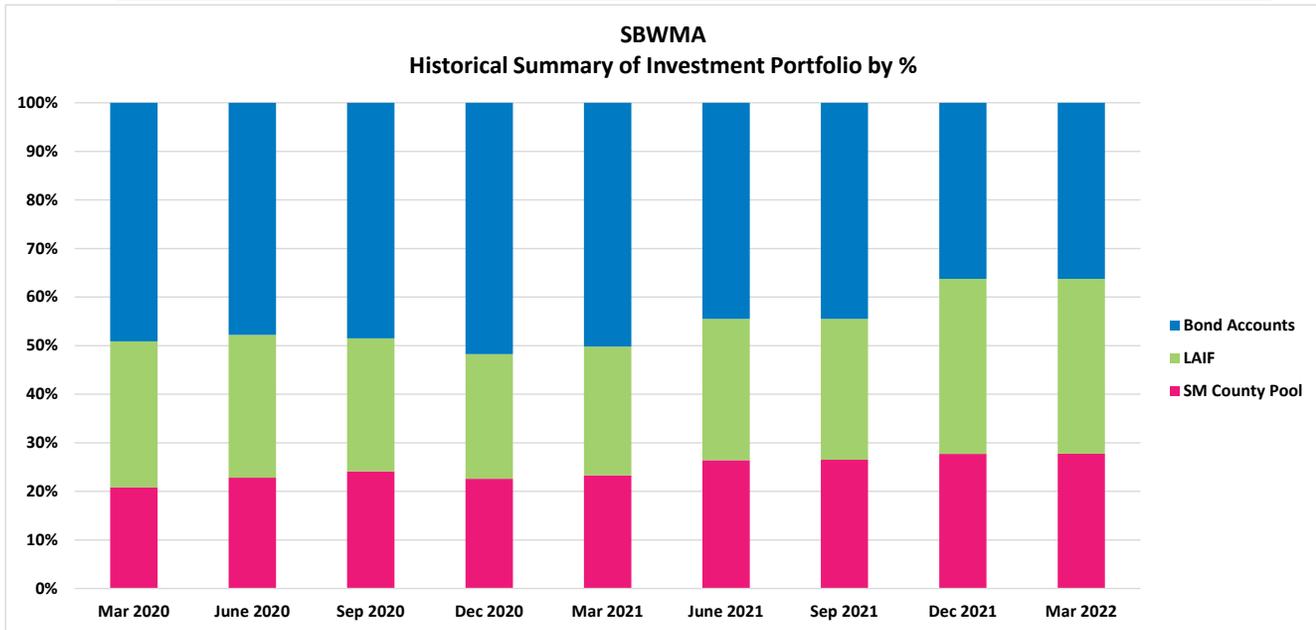
\*Difference in value between Historical Cost and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools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





South Bayside Waste Management Authority Portfolio

	Mar 2020	June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
SM County Pool	7,347,186	7,374,118	7,403,715	7,432,906	7,454,664	9,474,545	9,494,426	9,518,081	9,538,795
LAIF	10,630,374	9,491,582	8,426,617	8,445,144	8,458,497	10,467,738	10,375,190	12,381,550	12,387,551
Bond Accounts	17,358,643	15,432,152	14,895,200	17,022,676	16,048,067	16,000,448	15,928,708	12,461,970	12,462,894
<b>Grand Total</b>	<b>\$ 35,336,203</b>	<b>\$ 32,297,852</b>	<b>\$ 30,725,532</b>	<b>\$ 32,900,726</b>	<b>\$ 31,961,228</b>	<b>\$ 35,942,731</b>	<b>\$ 35,798,324</b>	<b>\$ 34,361,601</b>	<b>\$ 34,389,240</b>



	Mar 2020	June 2020	Sep 2020	Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022
SM County Pool	20.8%	22.8%	24.1%	22.6%	23.3%	26.4%	26.5%	27.7%	27.7%
LAIF	30.1%	29.4%	27.4%	25.7%	26.5%	29.1%	29.0%	36.0%	36.0%
Bond Accounts	49.1%	47.8%	48.5%	51.7%	50.2%	44.5%	44.5%	36.3%	36.2%
<b>Grand Total</b>	<b>100.0%</b>								



## STAFF REPORT

To: SBWMA Board Members  
 From: John Mangini, Senior Finance Manager  
 Date: September 22, 2022 Board of Directors Meeting  
 Subject: Approval of Quarterly Investment Report for the Quarter Ended June 30, 2022

### 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 June 30, 2022, the investment portfolio was compliant 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 June 30, 2022, funds in the amount of \$34,429,541 were invested, producing a weighted average yield of 1.00%.

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

	<b>Qtr Ended 3/31/22</b>	<b>Qtr Ended 6/30/22</b>	<b>Increase (Decrease)</b>
Total Portfolio	\$ 34,389,240	\$ 34,429,541	\$ 40,301
Weighted Average Return	0.37%	1.00%	0.63%
Interest/Dividends Earnings	\$ 31,241	\$ 59,048	\$ 27,807

The total quarter-end portfolio balance increased by \$40,301 when compared with the previous quarter. The increase is primarily due to interest earned during the quarter. Total interest and dividend earnings were higher than the previous quarter, due to the increased investment balance and a higher average return.

A table comparison of the portfolio components is provided below:

	<b>3/31/2022 Balance</b>	<b>% of Total</b>	<b>6/30/2022 Balance</b>	<b>% of Total</b>	<b>Change over Prior Quarter</b>
SM County Pool	\$ 9,538,795	27.7%	\$ 9,559,309	27.8%	\$ 20,514
LAIF	12,387,551	36.0%	12,397,313	36.0%	9,762
Bond Accounts	12,462,894	36.2%	12,472,919	36.2%	10,025
<b>Total Portfolio</b>	<b>\$ 34,389,240</b>	<b>100.0%</b>	<b>\$ 34,429,541</b>	<b>100.0%</b>	<b>\$ 40,301</b>

Note: There may be minor differences in totals as individual amounts are rounded

Due to arbitrage restrictions, bond investments are not included in our Local Agency Investment Fund (LAIF) rate or investment pool comparison. As of June 30, 2022, the bond cost of issuance and project accounts of approximately \$12.5 million were invested with the trustee in cash and short-term investments

As of June 30, 2022, investment in the County Investment Pool totaled 43.5% of SBWMA's funds available for investment pools (see Attachment 1), while the investment in LAIF totaled 56.5%. These percentages are within the range specified by the SBWMA Board.

The weighted average yield of the portfolio in the quarter excluding the bond proceeds was 0.80%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending June 30, 2022, was 0.75%, higher than the 0.32% in the prior quarter. The San Mateo County Pool average yield for the quarter was 1.08%, higher than the 0.87% in the prior quarter.

Derek Rampone, the Assistant Director of Administrative Services of the City of Redwood City, has reviewed this report before presentation to the Board.

**Attachments**

- A – Summary of All Investments for Quarter Ending June 30, 2022
- B – Investment Portfolio 6/30/2022 - Chart
- C – Historical Summary of Investment Portfolio

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

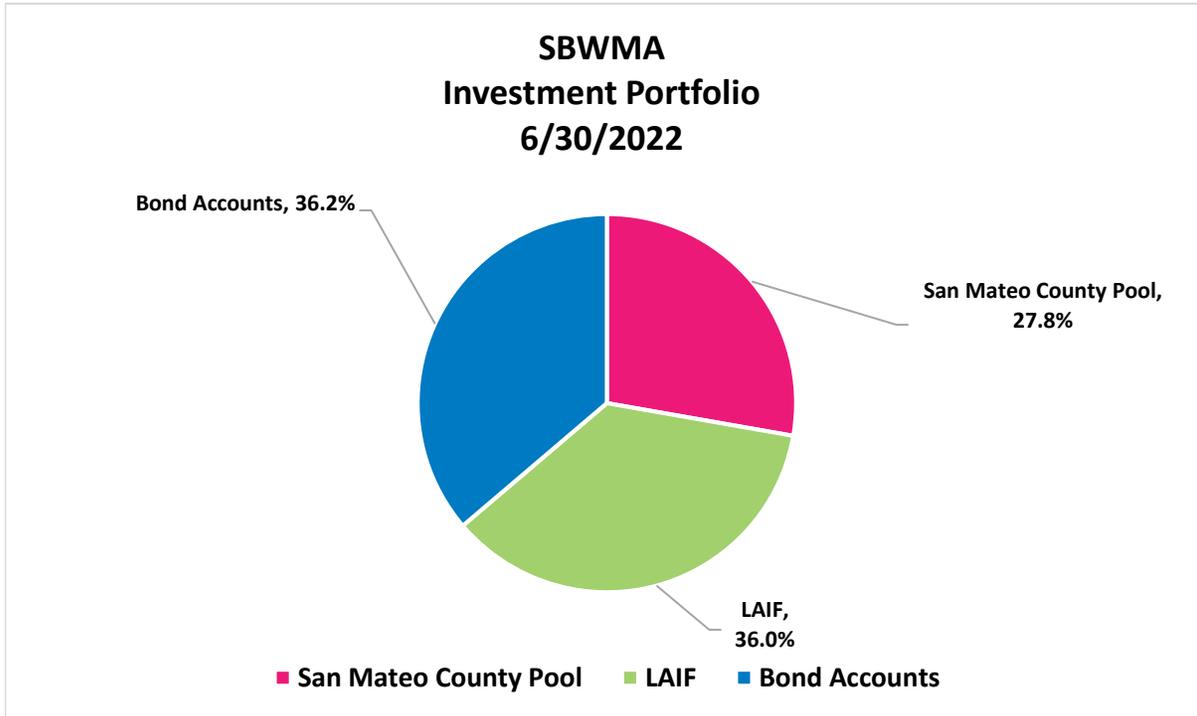
SUMMARY OF ALL INVESTMENTS  
For Quarter Ending June 30, 2022

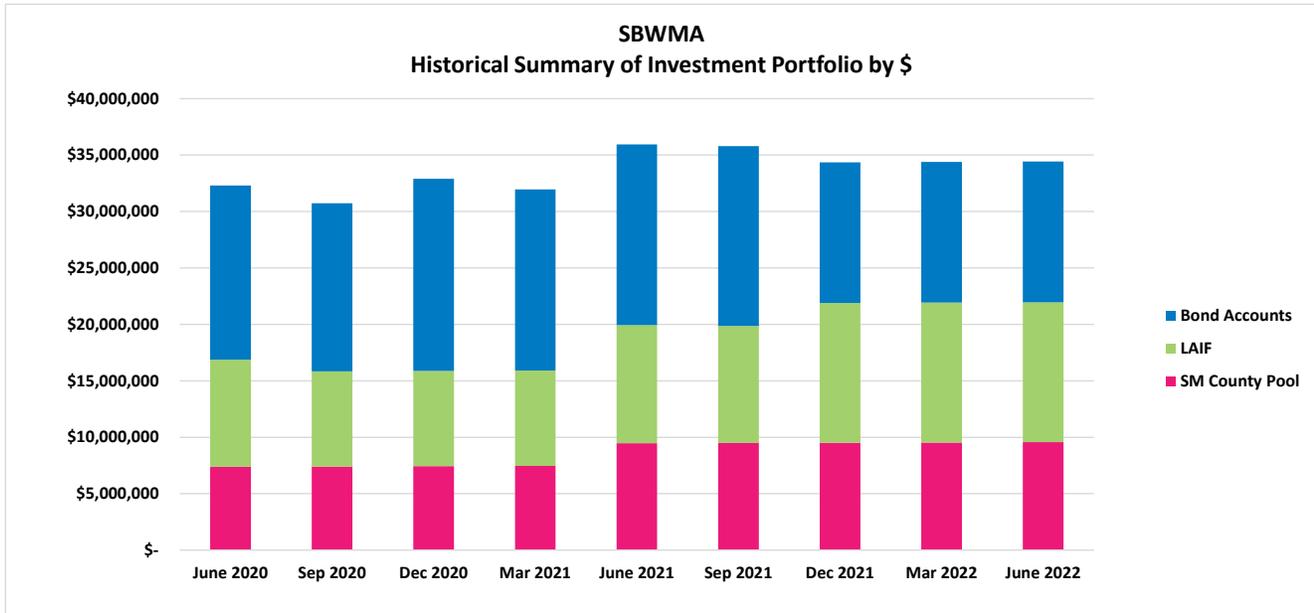
Category	Rate of Return	Historical Cost	% of Portfolio	Market Value*	Interest/Dividend Earned
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	1.08%	\$ 9,559,309	43.5%	\$ 9,289,443	\$ 25,814
Local Agency Investment Fund (LAIF)	0.75%	12,397,313	56.5%	\$ 12,237,703	23,210
	Weighted Average				
<b>Total - Investments</b>	<b>0.89%</b>	<b>21,956,622</b>	<b>100.0%</b>	<b>21,527,146</b>	<b>49,024</b>
	Rate of Return				
<b>Bond Accounts - Cash with Fiscal Agents</b>					
BNY - 2009A Reserve Fund	0.00%	-		-	-
BNY - 2009A Payment Fund	0.00%	-		-	-
BNY - 2019AB Payment Fund	1.37%	10		10	-
BNY - 2019AB Refunding Costs Fund	0.00%	1		1	-
BNY - 2019AB Refunding Project Fund	1.34%	12,472,908		12,472,908	10,024
<b>Total - Bond Accounts</b>	<b>1.34%</b>	<b>12,472,919</b>		<b>12,472,919</b>	<b>10,024</b>
	Weighted Average				
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>1.06%</b>	<b>\$ 34,429,541</b>		<b>\$ 34,000,065</b>	<b>\$ 59,048</b>
<b>Total Interest/Dividend Earned This Quarter</b>					<b>59,048</b>
<b>Total Interest/Dividend Earned Fiscal Year-to-Date</b>					<b>90,289</b>

**Note: SBWMA Board approved the following investment mix at its January 11, 2022 meeting:**

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COPOOL - up to 80%

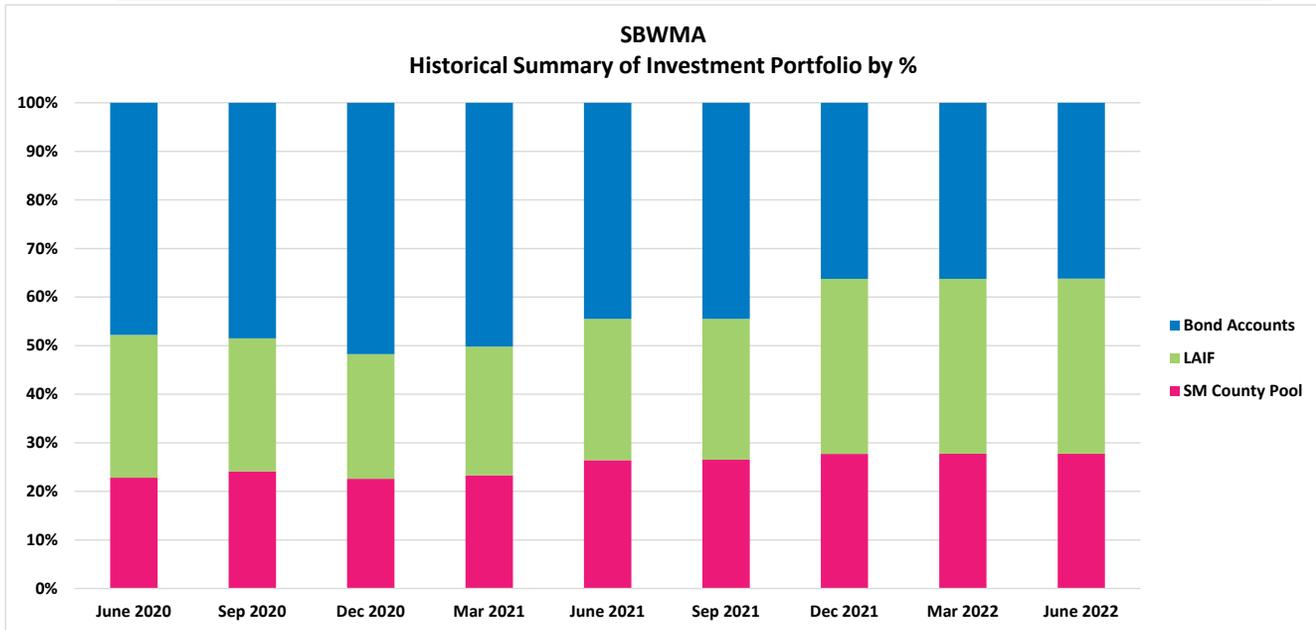
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LAIF	29.4%	27.4%	25.7%	26.5%	29.1%	29.0%	36.0%	36.0%	36.0%
Bond Accounts	47.8%	48.5%	51.7%	50.2%	44.5%	44.5%	36.3%	36.2%	36.2%
<b>Grand Total</b>	<b>100.0%</b>								