



**A Public Agency**

# CONSENT CALENDAR

**DRAFT MINUTES**

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
November 17, 2022– 3:00 p.m.  
SVCW 1400 Radio Road, Redwood Shores, CA 94065 OR  
Via Zoom Tele or Video Conference

Call to Order: 3:01 PM

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

Agency	Present	Absent	Agency	Present	Absent
Belmont	X		Redwood City	X (3:45PM)	
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				

**2. Public Comment (Closed Session)**

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 everyone to the meeting. He noted that he would be taking an extended leave for the next 3 weeks and the three members of senior staff would be acting as executive director in his absence on a rotating basis. He then made the following announcements.

- With gratitude for 2022: He thanked the Executive Committee and staff for their work and support this year. He announced that this is Member Bonilla and Member Groom's final meeting with the Agency, and he thanked them for their service and support. He congratulated the board members who recently won reelection: Cecilia Taylor, Menlo Park; Michael Brownrigg, Burlingame; Ruben Abrica, East Palo Alto; and Adam Rak, San Carlos. There will be some turnover on the Agency Board and Executive Committee in 2023, so staff is planning Shoreway tours early in the year, to facilitate onboarding with the work the Agency is doing. He also noted that as Board Member's councils are appointing their Agency's Board Members for 2023 it's important that each Member Agency appoint a Board Member and an Alternate as well as provide cell phone numbers and full contact information. He also thanked the 2023 TAC members, RethinkWaste staff and contracting

partners SBR and Recology. Finally, he thanked the staff at Silicon Valley Clean Water (SVCW) for allowing RethinkWaste to host this meeting at their facility.

- He noted that staff member (Fellow) Chiara Barausky da Silva has recently left the agency.
- Staff continues to monitor the Zolly legal case regarding local franchise fee collection eligibility and will continue to update city staff and Board Members as this continues to develop.
- At their January meeting the Finance Committee will have additional discussions regarding the financial feasibility, benefits and risks involved with setting up a Captive insurance for the agency. Should they recommend moving it forward, that will be a Board decision item at the end of January. This concept appears to help control ever increasing insurance costs in the long term.
- He will be working with Evan Boyd of Recology on the site licensing agreement, which will be on a board agenda for execution early in 2023.
- Staff is expecting a cost proposal from Recology by February 17, regarding their anticipated SB 1383 compliance costs, which will be another board decision item in early spring 2023.

#### 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 October 27, 2022, Board of Directors Meeting
- Approval of the RethinkWaste Board of Directors 2023 Meeting Calendar
- Resolution Approving a 2-Year Contract with Environmental and Energy Consulting (EEC) for a not to exceed amount of \$144k for Legislative Policy Advocate Consulting
- Resolution Approving a One Year Contract with Royal Coach Tours not to exceed \$60,000 with an optional two one-year extensions for a total contract award not to exceed \$180,000 for Shoreway Tours Bussing Services
- Resolution of the SBWMA Board of Directors finding that meetings of the Board of Directors, Technical Advisory Committee, and all Board appointed Brown Act Committees held via hybrid formally protects against the ongoing and imminent health and safety risks posed to COVID-19 and determining that all such meetings will continue to be held in hybrid format to allow attendance in person or remotely pursuant to California Government Code section 54953(E)

Motion/Second: Royce/Froomin

Roll Call Vote: 8-0-0-3

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 Approving the FY2023 Operations Budget and Capital Improvement Plan Budget

Staff Mangini gave a presentation noting that this item was reviewed by the board in October and also reviewed by the Finance Committee. He noted that there is one small change since this was presented in October, and that is to provide a COLA increase for one of the staff members who has been at the top of their salary range since 2019. That change resulted in a \$6,000 change in the budget. He noted that the total operating expense is going up \$4.2M which is 9%, so in response to that the tip fees need to be raised between 3.5 and 6.9% to co meet bond covenants and cover those increased costs. He noted that commodity revenue has been identified as an area of risk in this budget, and the Agency has always taken a conservative approach when estimating

these numbers. But even with the conservative approach in 2022 the estimated commodity revenue was \$7.2M, which is down sharply from the actuals. So, the proposed 2023 budget is very conservative but there may need to be a mid-year budget adjustments if commodity market rates continue to fall. He noted that a mid-year budget adjustment would either consist of increasing tip fees further, cuts to control costs or dipping into emergency reserve balances to meet bond covenants.

Executive Director La Mariana added that commodity revenue is an important source of revenue for the agency - about 12%, so staff will track that, and keep the Board and Finance Committees updated. He also noted that healthy reserves are an important goal of the Agency, and the Agency does have healthy reserves, and the Board may decide to dip into the emergency reserve to cover the bond covenants should the markets not recover. He noted that Staff Mangini warns against drawing from reserves frequently, because it could have a negative impact on the Agency's ability to borrow in the future, and the Agency does need to look at what the facility will look like in the future, and the site optimization study recommendations come with big price tags. So, the Agency does want to be in the strongest possible borrowing position. Lastly, he noted that this budget recommends a newly created position for a facility engineer to take some of the workload off Staff Gans' desk as he will have some high priority projects over the next few years.

Member Royce asked what kind of leeway is there on the bond covenant.

Staff Mangini answered that the required ratio is 1.4% and the budget is 1.5%. He noted that the \$2M host fees paid to the City of San Carlos are host fees which are excluded from the bond covenant calculation so that is helpful in determining bond covenants.

Member Royce asked if there were any one-time revenue payments included in the bond covenant test.

Staff Mangini answered no, the Atherton payment was excluded from the test.

Member Froomin reiterated his request from the October meeting that principal debt payments be included as part of the upside for bond covenants in the future.

Staff Mangini answered that staff is mindful of this request and he would bring this request to the Finance Committee for further discussion.

Member Royce asked with the increases of expenses going in to 2023 is there a risk of not meeting the bond covenant.

Staff Mangini answered that the Agency needs about \$500,000 in net revenue to cover that bond covenant. This budget is close, but he constructed the budget with an eye towards controlling tip fees as much as possible.

Member Royce asked regarding the increase in the Shoreway Operations costs, if the Agency is still projecting to meet the ratios over the next couple of years.

Staff Mangini answered that the contract doesn't go into effect until 2024, so he would be doing those tests in early fall of next year, to see what kind of tip fees are needed to cover that bond covenant test.

Motion/Second: Froomin/Rak

Roll Call Vote: 8-0-0-3

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. Approval of a Successor Agreement for the Operation of the Shoreway Environmental Center to Commence January 1, 2024; and Finding that Approval of the Agreement is Exempt from Review under the California Environmental Quality Act Pursuant to Guideline Section 15301, Existing Facilities

Executive Director La Mariana introduced the item and thanked the internal team, the two proposers and the ad hoc Board and TAC sub-committees for their work over the last two years on this. He then gave a historic overview of the process timeline. He noted that the Agency is in the fortunate position of having two highly admired and respected operators that are well known and proven in our marketplace and that gives him a lot of confidence going forward. He emphasized that staff recommendation is not a statement of respect or lack thereof for the current operator, the recommendation is based on the terms of the contract and what's right for the rate payers. He introduced the ACI team of Chris Valbusa and Jeff Dobert to give a presentation on their proposal.

Chris Valbusa, CEO of Alameda County Industries (ACI), gave a presentation highlighting South Bayside Industries (SBI) a subsidiary of ACI's proposal. He introduced the management team and thanked the board for the opportunity to be a part of the process and to make their presentation.

Member Brownrigg asked for clarification on the process of when questions could be asked of the proposers.

Executive Director La Mariana answered that both proposers would present first, followed by a presentation by Tracy Swanborn highlighting staff's perspective that would perhaps answer some of the questions that might arise during the contractor's presentations.

Executive Director La Mariana thanked ACI for their presentation. He noted that both proposers are joint ventures. SBR already exists and SBI will be formed should the contract be awarded to them. He then introduced the SBR team of Dan Domonoske and Carl Mennie to present on behalf of SBR.

Dan Domonoske Vice President of Potential Industries gave a presentation highlighting SBR's proposal. Followed by Carl Mennie Vice President of Recology who presented on the rate impacts if SBR was selected.

Vice Chair Bonilla thanked SBR for their presentation and introduced Tracy Swanborn of HF&H Consultants, who then gave a presentation providing highlights of the two proposals, the differences between them, and went over the costs and the rate impacts of each contract. She also talked about why both proposers' costs are significantly increased over the current costs and estimated average rate increases with both contracts. She concluded the presentation by recapping the staff report recommendation which is to approve the agreement with ACI for a 12-year term which is a total annual contract value of \$33M, and if extended to 14 years \$38M per year. She noted that ACI has committed to 100% revenue, they have experience with Local 350, they are committed to retaining the CBA employees, and offering hybrid vehicles for a portion of the transfer fleet.

Member Royce asked if the recommendation came from the Ad Hoc Sub Committee or staff.

Tracy Swanborn answered that the committee gave feedback but ultimately the recommendation is from staff.

Member Royce asked for clarification on the CBA salaries which are 50% of the total contract costs, and where the risks are on the CBA agreements with both proposers.

Tracy Swanborn explained that with the ACI contract, every year the actual change in wages and benefits that is part of the CBA agreement would get passed through to the contract. With the SBR contract two of the CBA agreements expire in the first couple of years of the operating agreement, so for the first few years of the operating agreement the CBA increase will be based on CPI. In year 4 after those CBA contracts have been renegotiated there is a true up to match up with the current CBA agreements. After that the SBR agreement is CPI again, but there is one other opportunity in the contract at a year to be determined by SBR's to request for another true up adjustment.

Member Royce asked if analysis was done on exposure risk.

Tracy Swanborn answered yes the estimated risk is \$1.15M rate impact. She explained that they analyzed this risk by modeling what each contract would look like regarding CBA increases so an annual rate impact could be determined. They looked at a 10-year cycle, and each year made assumptions on what that CBA increase might look like. When each of the CBAs expires, they set a 7% bump in that wage and benefit cost for ACI, and then did CPI after that initial bump. The agreements are expiring at different times. So over that 10-year period they assumed a bump for two of the CBAs in year one, and then a bump in year three for the other CBA. For the SBR Contract, in rate year four there is a true up. And for the ACI contract, a couple years down the road, they plugged in additional 7% bumps for the other CBAs.

Member Froomin commented that ACIs agreement has a 12% cap, and SBRs doesn't have a cap because of the true up process.

Tracy Swanborn answered that is correct, the savings in the SBR agreement come during the CPI years, as there are no retroactive adjustments, but in the true up years it would bump up to what is negotiated in the CBA agreement.

Vice Chair Bonilla commented that recently CPI has been coming in very high and a lot of CBAs haven't come up to that level because of their negotiations scheduled, so he asked if CPI would be paid even if the CBA negotiated rate is less.

Tracy Swanborn stated that for SBR in the first few years of the agreement, we will be paying whatever is in the then current CBA. For example, the operating personnel CBA that expires in 2025 those rates are already on the books so the SBWMA will be paying a CPI adjustment on those wages and benefits for the first three years on the contract until the true up in year four.

Member Froomin asked if CPI is high could the SBWMA pay more money than what is in the CBA agreement.

Tracy Swanborn answered yes, but added the unions are going to be watching that inflation rate very closely as well and will try to make up for it as evidenced by the large 7% increase recently negotiated by Teamsters Local 70 in Oakland.

Member Rak asked if the \$1.15M rate impact was modeled over the 10-year contract or the 12 year ACI contract.

Tracy Swanborn answered that both were modeled over 10 years so that the comparisons would be equal.

The group discussed the differences between the two contracts commodity revenue noting that ACI does not have a guarantee but 100% revenue comes to the agency. SBR's agreement has is 90% revenue coming to the agency with a \$4.7M per year guarantee. In the last 4 years the lowest amount of revenue realized was in the \$6M range.

Member Brownrigg commented that he was struggling with what incentives exist for the management team of either company to control costs. One contract has a 15% profit margin and the other a 13% profit margin. He asked how profit is constructed in the contract. If it's just 13 or 15 points above costs, then neither company has incentives to control expenses.

Tracy Swanborn answered that they are not guaranteed profit on top of expenses. Compensation is based on per ton service fees, that are subject to the annual compensation mechanism. Incentives around negotiating are a little bit differently for each company because the CBA mechanism is different. ACI has a pass through of their costs, so their incentives are different. They have other agreements with local 350 as well as other union agreements in the Bay Area. Companies are usually very cautious about precedents that they might set in their negotiations with each of their labor agreements, because that often can have a domino effect on their negotiations with the other labor agreements in other jurisdictions. With SBR because they are getting CPI in several of the windows, their wage and benefits will only increase as the Bay Area CPI index for wages also increases. So, they have a different type of incentive, because they're only going to get that CPI.

Member Brownrigg responded that expecting fair negotiations because of limitations in other jurisdictions doesn't give him as much comfort as if those limitations existed in this agreement, there need to be incentives in the agreement to either control costs or increase revenue. And even on the commodity side where SBR has offered 10% does that really incentivize them to try and divert more. So, he was still struggling with incentive. He then asked if staff or a professional in the room could tell the board what the correct head count should be, since that seems to be the single most important difference between the two agreements.

Tracy Swanborn answered that getting to the right answer on headcount is a complicated scenario. Both companies have extensive experience operating solid waste facilities. SBR knows this one inside and out, and ACI operates 3 similar facilities in the bay area. Both companies have the professional expertise to make independent assessments of what head count they need. There is a 17% increase in head count with the ACI proposal and a 30% increase in SBR's staffing proposal. With either agreement there is a tremendous level of additional staff that will be provided to bring the service levels up above where they are currently. The labor cost difference between the two contracts is \$1.1M. If ACI underestimated their staffing levels, and need to bring those costs up it would be a \$1.1M hit to their profit level. The only way that they could come to the Agency to recoup those costs would be if there is an extension or if they could demonstrate it's warranted by increased tonnage.

Executive Director La Mariana gave a historical perspective on staffing at the facility. He noted that when the current contract was put out to bid in 2009, SBR's then-proposal included headcount that was significantly lower than any of the other proposers, so he thinks the head count number has been really low for a really long time. SBR has gotten the core job responsibilities accomplished during this time, but there are other areas that could have had improved service. He didn't have a specific staffing number but relying on the expertise of two proven facility operators to come up with a number. In both cases they recommended increasing staffing numbers from current levels to improve service and address critical gaps in coverage.

Member Froomin asked if there were any provisions in either contract on the opposite side of staffing. He asked, "if the operator realizes they don't need these many positions, is there a true up for the Agency"?

Staff Gans answered that there is a provision in the CBA agreements where basically no reduction in headcount is allowed regardless of a change in operations. Once the new number is set in the contract, that's the new number and it can't be reduced.

Member Froomin asked if there was a way to add some positions at the beginning of the contract and test the effectiveness before adding more positions so there is a ramp up, and if not needed positions wouldn't be hired.

Staff Gans answered that his understanding was yes, but once a new number is established between the contractor and the respective collective bargaining unit, no staff reductions are allowed.

Rob Hilton clarified if positions are never hired then the agency could recoup those costs in the cost-based review in year four. Only if the positions were never hired, once a position is hired, then it's subject to the limitations in the CBA.

Member Froomin asked for clarification particularly from ACI to make the Board feel comfortable they've got the right number of positions in their proposed contract.

Tracy Swanborn noted that ACI specified a minimum headcount number that is very close to the current headcount, so they had that data point. Then they were invited to visit the facility and observe the operations as well as their own expertise from running similar facilities to make a judgement on proposed staffing.

Chris Valbusa of ACI added that ACI looked at the minimum headcounts that were required in the cost proposals, then visited the facility to understand the operational needs. He noted that the same number of drivers are proposed in both proposer's agreements, the differences are in operations. ACI operates similar large solid waste facilities in the Bay Area, and they understand how many people it takes to run the operations. It is 16 more people than what is currently at the facility. He noted that their Sunnyvale facility has more tonnage and is a little bit bigger than the Shoreway Facility, and the South San Francisco Facility is the same size and scope as Shoreway so they know how many people it takes to operate and maintain that facility. They looked at throughput, acreage, the square footage, how much land needs to be maintained, what maintenance needs to happen etc.

Member Brownrigg asked Mr. Valbusa to address what incentives are in the ACI agreement for keeping wage increases at less than 12%. He noted that it reads as though there's no reason not to just pass though the 12% annually.

Chris Valbusa answered that as was said before they have neighboring union agreements at other facilities, and the last thing they want to be doing is negotiating against themselves when we renegotiate those agreements that is our biggest incentive to make sure that we're paying a fair and marketable wage, but not a higher wage.

Member Brownrigg asked if these other agreements don't have the same 12% cap, because it felt to him like those other agreements have more protections for those agencies than are being offered here.

Chris Valbusa noted that in the other agreements they also have a collections contract, so they have to go to Councils and explain the numbers and justify them. He stated that the incentive comes from being beholden to the rate payers, customers, and partnerships formed that the local ownership and communities.

Member Froomin asked if other agreements have similar 12% caps.

Chris Valbusa answered that it varies some agreements have actual numbers written it, some have CPI limits.

Member Royce asked SBR to justify their 31 positions.

Dan Domonske commented that SBR has 12 years of experience running the facility, including the onerous additional requirements for cleaning, and maintaining the facility. The SBR proposal includes 8 people and the ACI proposal has 4. He thought that ACI might not be as familiar with what it takes to meet the cleaning and maintenance requirements in the agreement. He clarified that in both the future agreement and the current agreement there is a staffing plan with a requirement to properly staff based on that plan. There have been times when SBR has been given a limited window to achieve full staffing at these transition points but has never been understaffed. He also believes another area of difference in the agreements is in the MRF. The ACI agreement has fewer people in the MRF, and he thought that it was because they didn't have the expertise to understand the VRS program. That program is responsible for the pre-sort, and if things don't get properly sorted it can result in downtime of the facility, so SBR has included additional people in the MRF because SBR has the expertise to understand the limitations of the VRS program and ensure that SBR is adequately staffed.

Member Rak asked for clarification on the 10% service discount.

Tracy Swanborn explained that in the contract there is a tonnage level set at roughly the current tonnage volumes the facility is receiving. ACI has offered a discount of 10% for tonnage at the transfer station and the MRF above that level as efficiencies are achieved with additional tonnage. She further explained that the cap on tonnage translates to \$210,000 in the first year of the ACI contract and would change proportionally year over year with the annual change in per ton fees. She also noted that it's not a guaranteed difference, the Agency will only see that \$210,000 benefit if the tonnage volumes are achieved.

Member Rak asked if the previous discussion regarding the risk with the CBA agreements takes into account the differential between the two proposers' numbers of employees.

Tracy Swanborn answered that yes, and actually both HF&H, and the two proposers modeled out their total wage and benefit cost over the life of the contract, so that \$1.15M risk did take both contracts into account.

Member McCune commented that it's difficult to make a calculation when there are so many future uncertainties. He asked HF&H to provide some possible future scenarios with different variables, high inflation, low tonnage etc. He noted that there may be different future scenarios that one company is a better financial decision, and other future scenarios where the other company is a better financial decision.

Tracy Swanborn responded that with a volumes scenario the annual cost is tied to the per ton rates for the transfer station and MRF. ACI has a lower per ton rate on the table so regardless of volume of tonnage the annual cost will still be lower for ACI. With an inflation scenario the contract has a CPI mechanism for all of the costs outside of the CBAs. With the wages scenario, the CBA differences that was discussed earlier is the modeling they performed, it's possible that it could be a little more extreme than what was modeled, but they've not seen anything higher than what they modeled.

Rob Hilton added that HF&H tested several combinations of these various levels and there are very few likely scenarios where the ACI agreement cost would go above the SBR cost over the term of the contract. It would take something really substantial like an 8% wage and benefit increase every year, or a sustained commodity market crash, to make up the difference in cost between the two contracts.

Member Froom asked for an explanation of what the performance bond and corporate guarantees are.

Tracy Swanborn explained that SBR is a joint venture between Recology and Potential Industries, so having a corporate guarantee from those two entities to support the SBR agreement is a logical arrangement for that kind

of contract situation. South Bay Industries (SBI) is going to be an entity formed with the same shareholders as ACI, so because it's not a joint venture they don't have parent companies, a corporate guarantee didn't fit that kind of contract framework. When this was understood the RethinkWaste legal team did a lot of work to understand the structure of the ACI organization, and with that understanding negotiated an increase in the performance bond of 25%. Legal counsel and the risk management team felt very comfortable with having the higher performance bond. So, it's the nature of the type of organization dictating the type of failsafe should a catastrophe happen.

Carl Mennie of Recology wanted to follow up on the corporate guarantee and share a real-world scenario. He noted that the Agency has benefited from a corporate guarantee with the current contract with SBR without knowing about it. He noted that this large increase that is happening through this process means that SBR has been losing cash for several years now, so our member companies have contributed \$8.2M to keep SBR afloat since 2020. Had there not been a corporate guarantee the options would have been to turn to bankruptcy or rely on performance bonds.

Member Brownrigg commented that he'd like to hear other board members' perspectives on this decision. He noted that this is obviously a highly consequential decision, and he finds himself torn between the two, and that he is mostly torn on the question of incentives around controlling cost increases. He felt like ACI's contract might be like going in at the low bid and then getting a bunch of change orders which no longer make them low. But, going in with a lower number of staff and possibly ratcheting up is a better option than going in with a high number of staff with no option to ratchet down. So he's leaning towards ACI, but not wholly comfortable about it, and is curious how other Board Members look at it.

Member Froomin commented that he is uncomfortable with the 12% cap, 12% seems high, but to some extent that high risk exists on both sides with the true up years in the SBR contract. He noted that he's less concerned about the number of employees given their years of experience. But with 50% of the total cost in staffing he agreed with Member Brownrigg about it being easier to go up than down. He added that the style of the presentations carried weight for him as well, and that he was leaning towards the staff recommendation.

Member Royce asked if the Agency would be the only client of the new ACI entity being formed.

Tracy Swanborn answered yes, ACI's model is that for each contract that they engage in with different jurisdictions they enter into, they form a separate corporation for that jurisdiction.

Member Royce commented that numbers and the answers to the questions posed by the Board today seem to support ACI. Yet, he still had uneasiness about it, and he wasn't sure why. But he did think there was less exposure to the Agency with the ACI agreement than the SBR agreement.

Member McCune commented that staff has looked at the numbers and in a wide range of future scenarios and is convinced that ACI is mostly likely to be successful in the widest range of those scenarios, so he was leaning towards ACI, noting that the incumbent had done well.

Member Rak asked who was on the Board subcommittee that reviewed staff's findings. The Board subcommittee consisted of Board Vice Chair Bonilla, Board Chair Aguirre, Board Member Froomin and Board Member Taylor.

Vice Chair Bonilla explained that he had a lot of faith in the staff and the consultants, and the bottom line is that the dollars make a big difference. There is a significant difference in the number of workers, but he trusted the experience of both contractors, and didn't think there would be a lot of change orders with the ACI agreement, this is big business and there a lot of other protections in place.

Member Rak commented that knowing SBR had to go into their pockets to cover some costs over the last few years, he was wary of getting into a situation with change orders and the new entity as the world is changing everyday and new costs are being added and that gives them the opportunity to re-open the contract.

Vice Chair Bonilla added that the proposal is already 50% over the current contract, which gave him comfort on the change order issue.

Chair Aguirre noted that she wanted to add her comments at the end, she noted that it's been a long process, and it wasn't in any way rushed. She thanked the committee who has worked on this for the past two years and thanked the proposers for the great work they do in the community. She noted that she was very happy with what the staff has been able to recommend and looking at all sides of the options. At the end of the day, we all have to think about the folks that the Board is representing and how we are able to protect our constituents and our communities as we move forward. She added that given what the consultants and both the proposers presented, she stated "I think we have the best deal as we move forward with the staff's recommendation".

Member Froomin made a motion to approve resolution 2022-54A, the staff recommendation for a contract with ACI on behalf of SBI.

Member Rak seconded the motion.

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 Outreach and Legislation**

- A. Resolution Approving appointments of one Board Member and one TAC Member to the Public Education & Outreach Committee in 2023

This item was continued to the next Board meeting in January when there will be some new board members.

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

- A. Update on the Status of SB 1383 Implementation and Compliance
- B. Update on the Status of the Underground Storage Tanks Removal Project
- C. 2022 Finance and Rate Setting Calendar
- D. 2023 Meeting Planning Guide

**10. Board Member Comments**

Member Froomin thanked SBR for the work they've done for the Agency for the last decade, and that he looked forward to working with them through the transition and thanked them for their service. He also thanked staff as he has been submitting a lot of questions and he appreciated them getting responses to him.

Board Members Rak and Brownrigg echoed Member Froomin's comments.

Chair Aguirre thanked Vice Chair Bonilla for acting as chair at today's meeting and noted that the Agency will miss him as he steps away from public service in 2023.

Executive Director La Mariana added that this has been a very difficult and challenging decision. He noted that he has tremendous professional respect for his colleagues at SBR and Recology wanted to express how important those professional relationships are to him personally. He hopes SBR understands the process and how we got to this decision.

The Board adjourned to closed session at 5:24PM

**11. Adjourn to Closed Session:**

- A. Pursuant to Government Code Section 54957-Public Employee Performance Evaluation-Executive Director
- B. Pursuant to Government Code Section 54957.6-Conference with Labor Negotiator-Agency Designated Representative: Jean B. Savaree; Unrepresented Employee: Executive Director

**12. Adjourn 5:48PM**

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Tj Carter, Program Manager II, Recycling and Compliance  
**Date:** January 26, 2023 Board of Directors Meeting  
**Subject:** Resolution Approving a Third Contract Amendment in the amount of \$25,000 with HF&H Consulting, LLC for Senate Bill (SB) 1383 Planning and Implementation Services

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-01 attached hereto authorizing the approval of a third contract amendment to the Agreement with HF&H Consulting, LLC for SB 1383 Planning, Implementation, and Franchise Amendment Services, extending its term and increasing the overall not-to-exceed amount by \$25,000, for a total of \$129,500.

### Summary

On April 6, 2021, the SBWMA entered into an one-year Agreement with HF&H Consultants, LLC for SB 1383 Planning, Implementation, and Franchise Amendment Services (the "Agreement"), for a total not-to-exceed amount of \$49,500. The Agreement was amended on July 29, 2021, to increase the compensation by \$30,000, for a not-to-exceed amount of \$79,500, and to add additional services related to planning and implementation tasks ("First Amendment"). The Agreement was amended a second time on May 5, 2022, to add additional services related to negotiations with Recology for a franchise amendment concerning SB 1383 services, extend the term until December 31, 2022, and increase the not-to-exceed compensation by \$25,000, for a total of \$104,500 ("Second Amendment").

A third contract amendment ("Third Amendment") is requested at this time to extend the term of the Agreement and to increase the available compensation to allow HF&H to continue providing guidance and support services to the SBWMA related to the continued negotiations with Recology to amend the Franchise Agreement to include SB 1383-mandated services. The Third Amendment will increase HF&H's contract budget by \$25,000 for a total dollar value of \$129,500 and extend the Agreement terms until December 31, 2023.

### Background

The SBWMA previously engaged HF&H to prepare an SB 1383 Compliance Plan, which was approved by the Board of Directors in November 2020. The SBWMA then entered the Agreement with HF&H to assist in several SB 1383 planning and implementation tasks. Those tasks included planning outreach and education, contamination monitoring, reporting, and other activities to ensure the SBWMA's Member Agencies are in compliance with SB 1383 regulations, along with refining estimates of SB 1383 Performance and Standard Approach compliance that account for new information pertaining to the SBWMA's Organics-to-Energy (O2E) Pilot Project, and negotiating SB 1383-related program and reporting changes to the Recology Franchise Agreement.

In July 2021, the SBWMA Board of Directors approved a \$30,000 contract amendment for the additional staff time needed to support and evaluate the franchise agreement amendment negotiations with Recology for SB 1383 services not covered by the existing Franchise Agreement (Task 2 of the Agreement). After extensive meetings

and evaluation of cost proposals, the SBWMA could not reach agreement with Recology related to the provision of SB 1383 mandated requirements. The level of cost proposed and the approach to compensation requested by Recology would have resulted in substantially greater impact to ratepayers than staff and consultants believed were necessary and appropriate, given the scope. To provide those services to Member Agencies, the SBWMA entered into an agreement with SCS Engineers to provide SB 1383-mandated services for 2022 and 2023. (See [Board item 6A](#) on January 27, 2022) In April 2022, the SBWMA Board of Directors approved a second amendment to the Agreement to add \$25,000 for additional technical assistance and guidance from HF&H as the SBWMA proceeded with its SB1383 planning and implementation efforts after the SBWMA pursued alternative contractors to provide SB 1383-mandates services.

Recology and the SBWMA are both interested in renewed negotiations to amend the Franchise Agreement to include provision of services related to SB 1383 requirements. The SBWMA has a continued need for HF&H services to carry out the Task 2 services, which include supporting the SBWMA in the process of negotiating an amendment to the Recology Franchise Agreement, with the following:

- Participation in meeting(s) with SBWMA and Recology (number to be determined based on availability of budget);
- Preparation of a request for Recology to provide proposed costs for SB1383 services, including preparation for cost proposal forms;
- Evaluation of Recology's proposed cost for SB1383 services (to the extent budget is available);
- Preparation of requests for clarification of Recology's cost information and review of the clarification information provided (to the extent budget is available).

The current Agreement, as amended, extends through December 31, 2022. No services have been performed since that time. Staff is requesting that the Agreement be amended a third time to extend its term another year, until December 31, 2023, to allow the SBWMA to work with HF&H through the end of FY2023. Staff is also requesting an increase to the overall not-to-exceed amount of \$25,000, for a total of \$129,500. There is an unspent balance of \$22,000 remaining under the current Agreement, as amended.

### **Fiscal Impact**

The adopted FY 2023 budget has available funding available for the additional \$25,000 contract amendment as a part of the \$100,000 for Technical Assistance (expense worksheet line item 60). The total work is estimated to cost \$47,000. Note, there is a remaining \$22,000 in the contract from the previous negotiations.

#### **Attachments:**

**Resolution 2023-01**

**Exhibit A** – Third Amendment to the Agreement for Professional Services between the South Bayside Waste Management Authority and HF&H Consultants, LLC



# RESOLUTION NO. 2023-01

## RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A THIRD CONTRACT AMENDMENT IN THE AMOUNT OF \$25,000 WITH HF&H CONSULTING, LLC FOR SB 1383 PLANNING AND IMPLEMENTATION SERVICES

**WHEREAS**, the State of California passed SB 1383 (Chapter 395, Statutes of 1383), which required the California Department of Resources Recycling and Recovery (CalRecycle) to adopt regulations to reduce organic waste by 50 percent from its 2014 baseline level by 2020 and 75 percent by 2025; and

**WHEREAS**, CalRecycle has finalized regulations and revised Chapter 12 (Short-lived Climate Pollutants) of Division 7 of Title 14 of the California Code of Regulations (“SB 1383 Regulations”); and

**WHEREAS**, The South Bayside Waste Management Agency (SBWMA) entered into an Agreement with HF&H Consulting, LLC for SB 1383 Planning, Implementation, and Franchise Amendment Services dated April 6, 2021 (the “Agreement”); and

**WHEREAS**, the SBWMA Board of Directors authorized a First Amendment to the Agreement, dated July 29, 2021, to increase the compensation by \$30,000, for a not-to-exceed amount of \$79,500, and to add additional services related to planning and implementation tasks. The Agreement was amended a second time on May 5, 2022, to add additional services related to negotiations with Recology for a franchise amendment concerning SB 1383 services, extend the term until December 31, 2022, and increase the not-to-exceed compensation by \$25,000, for a total of \$104,500 (“Second Amendment”); and

**WHEREAS**, the SBWMA has determined that an extension of the Agreement term and addition of additional funds is needed due to increased support needed for ongoing implementation guidance and negotiations with Recology related to a franchise amendment for SB 1383 compliance services; and

**WHEREAS**, the South Bayside Waste Management Authority Board has determined a Third Amendment to the Agreement extending its term and increasing its not-to-exceed amount is warranted.

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves a Third Amendment to the Agreement extending its term until December 31, 2023, and increasing the compensation amount by \$25,000, resulting in a total contract amount of \$129,500.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26<sup>th</sup> day of January, 2023, 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. 2023-01 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2023.

ATTEST:

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

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

**THIRD AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY AND HF&H CONSULTANTS, LLC**

This document constitutes the third Amendment to the Agreement for Professional Services entered into as of the 6<sup>th</sup> day of April 2021 by and between the South Bayside Waste Management Authority, hereinafter “SBWMA”, and HF&H Consultants, LLC hereinafter called "CONSULTANT".

**RECITALS**

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

WHEREAS, on April 6, 2021, SBWMA and Consultant entered into an Agreement for \$49,500 for Professional Services for a SB 1383 planning, implementation, and franchise amendment services; and

WHEREAS, the SBWMA Board of Directors approved a First Amendment to the Agreement dated July 29, 2021, increasing the contract amount by \$30,000 for additional staff time needed by HF&H Consulting, LLC for participation in meetings with SBWMA and Recology, and evaluation of Recology’s proposed cost for SB 1383 services; and

WHEREAS, the SBWMA Board of Directors approved a Second Amendment to the Agreement dated May 5, 2022, increasing the contract amount by \$25,000 for additional staff time needed by HF&H Consulting, LLC to support various SB 1383-related planning and implementation services and to provide guidance as the SBWMA proceeds with its SB1383 implementation efforts, and extending the Agreement term until December 31, 2022; and

WHEREAS, SBWMA and Consultant have determined that additional time and increased funding in the amount of \$25,000 is needed to complete Task 2 of the Agreement, related to supporting negotiations with Recology for a franchise amendment to include SB 1383 implementation services; and

NOW THEREFORE, the Agreement for Professional Services is hereby amended as follows:

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

I. Section 2., **Term**, the sentence shall be amended to read as follows:

“The term of this Agreement shall commence upon the date hereinabove written through December 31, 2023, unless terminated earlier pursuant to Section 10 of this

Agreement.”

II. Section 4., **Compensation**, add the following sentence to the end of the second paragraph as follows:

“Pursuant to the Second Amendment, the contract amount shall be increased for a not to exceed amount of \$25,000.00, resulting in a revised combined total of compensation and reimbursement of costs payable hereunder not to exceed \$129,500.00.”

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 Third Amendment to be executed on the date first above written by their respective officers duly authorized in that behalf.

SOUTH BAYSIDE WASTE MANAGEMENT  
AUTHORITY:

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

DATED: \_\_\_\_\_, 2022

APPROVED AS TO FORM:

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

DATED: \_\_\_\_\_, 2022

CONSULTANT:

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

DATED: \_\_\_\_\_, 2022

NOTICE TO PROCEED

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

DATED: \_\_\_\_\_, 2022

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Hilary Gans, Principal Engineer and Operations Manager  
**Date:** January 26, 2023 Board of Directors Meeting  
**Subject:** Resolution Approving Extension of the MOU with Central Marin Sanitary District for Organics-to-Energy Material Processing

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### Recommendation:

Staff recommends that the Board of Directors approve the resolution 2023-02 for an **Extension of the MOU with Central Marin Sanitary District for Organics-to-Energy Material Processing.**

### Summary

The MOU addendum that extended the original MOU with Central Marin Sanitary Agency (CMSA) has expired and both the SBWMA and CMSA wish to extend terms of the MOU that was approved by the SBWMA Board in June 2021 until December 31, 2023. Though the current O2E operation has been suspended due to insufficient inbound food waste being collected by Recology, staff intends to restart the O2E project once the tonnage increase.

### Analysis

CMSA is one of four WWTPs that SBWMA is delivering food waste slurry to generate alternative green energy sources to power their operations. During the Pilot operations each stakeholder WWTP is quantifying the benefits and costs of managing organics waste through this unique and promising technology.

Below is a listing of the five partner WWTPs:

1. **Silicon Valley Clean Water.**
2. **Central Marin Sanitary**
3. **East Bay Municipal Utility**
4. **South San Francisco**

### SBWMA-WWTP Partnerships

During the O2E Pilot, the SBWMA and each of the partner WWTPs is collecting information on costs, operations, energy production and diversion success. This valuable information will be used to test the model for a full-scale O2E and will inform the content of new MOUs that will be completed with each WWTP partner wishing to participate in the future project. Staff will continue to update the Board on the status of the O2E Project, the planning and design of the full-O2E project, and partnership agreement discussions.

### Background

O2E Pilot Project milestone dates:

- February 2020, System Commissioning
- Pilot installation was completed on February 14<sup>th</sup>, 2020 by Anaergia

- March 2020, system training was halted and O2E project was suspended due to Shelter-in Place
- April 2021, project was restarted, and liquid organic slurry has been shipped to SVCW and CMSA
- November 2022, O2E project was suspended due lack of inbound food waste

### **Fiscal Impact**

There is no fiscal impact related to the MOU with CMSA. The MOU calls for no tipping fee during the Pilot.

### **Attachments:**

Resolution 2023-02

Attachment A - CMSA MOU Addendum Number 2



**RESOLUTION NO. 2023-02**  
**RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZES THE EXTENSION OF THE MOU WITH CENTRAL MARIN SANITARY DISTRICT FOR ORGANICS-TO-ENERGY MATERIAL PROCESSING.**

**WHEREAS**, South Bayside Waste Management Authority (SBWMA); is interested in developing a system for diverting food waste into green energy,

**WHEREAS**, Central Marin Sanitary Agency wastewater treatment plant is interested in partnering with the SBWMA to receive and process food waste slurry from the O2E Pilot and convert this material into energy,

**WHEREAS**, Central Marin Sanitary Agency, signed an addendum to the original agreement that has since expired and both parties wish to extend the agreement.

**NOW THEREFORE BE IT RESOLVED**, the SBWMA Board hereby authorizes the addendum extension of the MOU with Central Marin Sanitary District for Organics-to-Energy Material Processing attached hereto as Exhibit B.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the January 26, 2023, 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. 2023-02 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2023.

ATTEST:

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

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

**ADDENDUM NO. 2  
TO MEMORANDUM OF UNDERSTANDING**

This Addendum No. 2 to the **Memorandum of Understanding** (MOU) by and between the **South Bayside Waste Management Authority** (SBWMA) and the **Central Marin Sanitary Agency** (CMSA), (hereafter, also "Party" or "Parties"):

**1. Extension of Term.** Due to the Covid-19 pandemic impacting food waste quantities, an unexpected Digester No.1 membrane mover failure and a proactive Digester No. 2 membrane cover replacement at CMSA, and pre-processing equipment commissioning complications at SBWMA, the Pilot Project has been delayed. The term of this MOU for the Pilot Project shall be extended through December 31, 2023. All other provisions of the original MOU that took effect on March 1, 2020 shall remain in effect throughout the extended term of the MOU.

**IN WITNESS WHEREOF**, the Parties have signed this Addendum No. 2 to the Memorandum of Understanding.

**South Bayside Waste Management Authority**

DocuSigned by:  
*Joe La Mariana*  
D4BC9A077702435...

Name: Joe La Mariana  
Title: SBWMA, Executive Director

**Central Marin Sanitary Agency**

DocuSigned by:  
*Jason Dow*  
66B2206A25F54B0...

Name: Jason Dow  
Title: General Manager

## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Joe LaMariana, Executive Director  
 John Mangini, Senior Finance Manager  
**Date:** January 26, 2023 Board of Director's Meeting  
**Subject:** Resolution Authorizing a change in Officers of the City Redwood City to Manage the SBWMA's Financial Investments in Association with Administrative Services Agreement, effective July 1, 2019

**Recommendation**

It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-03 attached hereto authorizing the following action:

Authorize the Board of Directors to allow a change the officers of the City of Redwood City to deposit and withdraw monies in investment accounts (e.g. State of California Local Agency Investment Fund [LAIF] and San Mateo County Pool) on behalf of the SBWMA. This follows the February 2019 Board approval of the 3-Year Finance and Accounting Services Contract (with two one-year options) with the City of Redwood City. The Services Agreement is currently in the first extension year. This Resolution allows for the below City of Redwood City officers to become the authorized signors associated with the SBWMA's LAIF and San Mateo County Pool accounts.

**Summary**

The City of Redwood City has been for performing Finance and Accounting Services for the SBWMA since the commencement of the Administrative Services Agreement effective July 1, 2019, the SBWMA needs to transfer SBWMA investment management authorization from the City of Redwood City's former officers, who have recently terminated employment with the City of Redwood City to the City's current officers as per **Table 1** below.

**Table 1**  
**Key Officers Responsible for the SBWMA's Financial Investment Assets**

City	Officer Legal Name	Title/Position	Office Address
Redwood City	Michelle Poche Flaherty	Assistant City Manager and Administrative Services Director	1017 Middlefield Road, Redwood City, CA 94063
Redwood City	Carolynne Kerns	Principal Analyst/Deputy Treasurer	1017 Middlefield Road, Redwood City, CA 94063

The listed City of Redwood City staff also need to complete and sign the LAIF Authorization for Transfer of Funds form by entering their information and signing the form (See **Attachment A – LAIF Authorization for Transfer of**

**Funds Form).** This update will facilitate the correct listing of the title of the officers authorized to withdraw and deposit funds. The former City of Redwood City officer staff information shall be removed from the Form prior to submission.

### **Background**

On March 1, 2000, the City of San Carlos Finance Department began providing basic financial and accounting services for the SBWMA. The City of San Carlos provide these services to the SBWMA until June 30, 2019, with those services transitioning to the City of Redwood City starting on July 1, 2019.

The State of California Local Agency Investment Fund (LAIF) is an investment fund operated by the State Treasurer for exclusive use by cities, counties, special districts, and other local agencies. LAIF invests in a variety of taxable high quality securities and loans (U.S. treasuries, certificates of deposits, bankers' acceptances, commercial paper, corporate bonds, loans, and mortgages). The SBWMA has made extensive use of investment accounts in LAIF, along with the San Mateo County Pool (a County of San Mateo-managed investment pool). LAIF currently limits public agencies to a maximum amount on deposit of \$50 million per account with a limit of 15 transactions (deposits or withdrawals) per month.

### **Fiscal Impact**

There is no fiscal impact to this change in access for authorization of LAIF and San Mateo County Pool transfer of funds.

### **Attachments:**

**Resolution 2023-03**

**Attachment A – Local Agency Investment Fund (LAIF) Authorization for Transfer of Funds Form**



## **RESOLUTION NO. 2023-03**

### **RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING A CHANGE IN OFFICERS OF CITY OF REDWOOD CITY TO MANAGE THE SBWMA'S FINANCIAL INVESTMENTS IN ASSOCIATION WITH THE ADMINISTRATIVE SERVICES AGREEMENT, EFFECTIVE IMMEDIATELY**

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) Board of Directors entered into an agreement with the City of Redwood City for the purpose of providing the following services:  
Financial and Accounting Services for three years starting July 1, 2019, and

**WHEREAS**, pursuant to Chapter 730 of the Statutes of 1976, Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer, and

**WHEREAS**, the Board does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purposes of investment as stated therein is in the best interests of the SBWMA, and

**WHEREAS**, the Board passed Resolution No. 2019-31 on May 23, 2019, authorizing certain City of Redwood City officer titles to order the deposit and withdrawal of monies, and

**WHEREAS**, the Board desires to rescind Resolution No. 2019-31 and adopt this Resolution instead, and

**WHEREAS**, The City of Redwood City's existing officers need to be authorized access to manage SBWMA investments within the LAIF, while currently authorized City of Redwood City officers need to have such access removed via the submitted form, and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby authorizes the City of Redwood City to manage SBWMA investments.

**BE IT FURTHER RESOLVED** that the Board does hereby authorize the deposit and withdrawal of the monies of the South Bayside Waste Management Authority in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code including, without limitation, proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the Authority, for the purpose of investment as stated in Section 16429.1, and verification by the State Treasurer's Office of all banking information provided in that regard.

**BE IT FURTHER RESOLVED** that the following South Bayside Waste Management Authority-designated officers of the City of Redwood City shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

TITLE:  
 City Manager  
 Assistant City Manager  
 City Treasurer  
 Deputy Treasurer  
 Administrative Services Director  
 Finance Officer  
 Financial Services Manager  
 Principal Analyst

_____ Michelle Poche Flaherty (Name)	_____ Carolynne Kerns (Name)	_____  (Name)
_____ Assistant City Mgr. (Title)	_____ Principal Analyst (Title)	_____  (Title)
_____  (Signature)	_____  (Signature)	_____  (Signature)

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26<sup>th</sup> day of January 2023, 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. 2023-03 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2023.

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

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



## LOCAL AGENCY INVESTMENT FUND (LAIF) AUTHORIZATION FOR TRANSFER OF FUNDS

DATE \_\_\_\_\_

AGENCY NAME \_\_\_\_\_

LAIF ACCOUNT # \_\_\_\_\_

AGENCY'S LAIF RESOLUTION # \_\_\_\_\_ OR RESOLUTION DATE \_\_\_\_\_

**Only the following individuals of this agency whose names appear in the table below are hereby authorized to order the deposit or withdrawal of monies in LAIF. *This authorization supersedes all prior authorizations on file with LAIF. Individuals currently authorized who are not listed below will be deleted.***

NAME*	TITLE	SIGNATURE

**Please provide email address to receive LAIF notifications.**

NAME*	EMAIL

\*Please attach additional sheets, if necessary.

**Two authorized signatures required pursuant to your agency's resolution.**

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TELEPHONE

\_\_\_\_\_  
TELEPHONE

**Mail completed form to:**  
 State Treasurer's Office  
 Local Agency Investment Fund  
 P.O. Box 942809  
 Sacramento, CA 94209-0001

Revised 3/15

## STAFF REPORT

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**To:** SBWMA Board Members  
**From:** Joanna Rosales-Jose, Outreach & Communications Manager  
**Date:** January 26, 2023 Board of Directors Meeting  
**Subject:** Resolution Authorizing the Executive Director to Execute a Contract with Final Option Corp dba Pacific Printing for Printing and Mailing Services in 2023 not to exceed \$148,350

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No 2023-04 attached hereto authorizing the following action: **Authorize the Executive Director to Execute a Contract with Final Option Corp dba Pacific Printing for Printing and Mailing Services in 2023 in an amount not to exceed \$148,350, which includes a 10% contingency.**

### Summary

The SBWMA is responsible for public outreach and education programs and has used direct mail as a strategic method to reach customers. Staff has identified specific mailings that it expects to complete in 2023, some of which are regularly-scheduled mailings, and some of which are targeted mailings for specific projects; all of the mailings need a print and mail house for services. To streamline the entire process, staff solicited quotes to use one company for these specific projects throughout this fiscal year.

### Analysis:

Staff outlined the four specific print and mailing projects listed below that will require use of an outside company. These projects were singled out because of the large-scale scope of work and services needed to complete the project. Staff does have additional mailings scheduled that will be done in-house as they are smaller and require special attention.

1. Household Hazardous Waste postcard mailing to all single-family and multi-family households (in conjunction with San Mateo County Environmental Health)
2. Spring/Summer Rethinker newsletter mailing to multi-family households and commercial businesses
3. Fall/Winter Rethinker newsletter mailing to single-family households
4. Holiday Postcard mailing to single-family residents and multi-family property owners

Staff solicited bids from three vendors, and while staff received quotes from all three vendors, Pacific Printing responded with the lowest bid. Based on prior work with Pacific Printing, Staff is confident in their quality of work, responsiveness; in addition, they are unionized. For these reasons, staff is recommending awarding the contract to Pacific Printing.

Staff received a quote from Pacific Printing for \$134,864. Due to difficulties that printers are currently experiencing in securing the needed paper we need for these projects, staff added a 10% contingency to the contract for a total not to exceed amount of \$148,350, to ensure all costs will be covered for each project.

The SBWMA used Pacific Printing in 2022 for the printing and mailing of the Spring/Summer, Fall/Winter Rethinker newsletter, the SFD and MFD service guides, holiday tree postcards, and the printing of kitchen pail inserts, public education brochures, and doorhangers. Staff was satisfied with their performance in the timely delivery of these important materials.

### **Background**

The Board approved the 2021-2023 Public Education Plan in November 2020, which outlines specific outreach projects and techniques, including mailing newsletters and program updates. Direct mailing has proved in the past to also be an effective method to reach residents, multi-family property owners, and commercial businesses to ensure they receive necessary information about programs offered and available to them.

### **Fiscal Impact**

The approved FY2023 budget includes funding for costs of all the print and mailing projects under the Residential Outreach, Multi-Family Outreach, Member Agency & Rate Payer Education, Household Hazardous Waste Outreach, and Battery Outreach line items.

#### **Attachments:**

Resolution 2023-04

Exhibit A – Pacific Printing Vendor Agreement



## RESOLUTION NO. 2023-04

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH FINALOPTION CORP DBA PACIFIC PRINTING FOR PRINTING AND MAILING SERVICES IN 2023 NOT TO EXCEED \$148,350

WHEREAS, in the South Bayside Waste Management Authority (SBWMA) is responsible for all public outreach and education programs; and

WHEREAS, part of this outreach includes using direct mail as a method to inform residents; and

WHEREAS, the SBWMA would like to use the services Final Option Corp dba Pacific Printing for printing and mail fulfillment of four direct mailings in 2023; and

NOW, THEREFORE BE IT RESOLVED that the SBWMA hereby approves the Executive Director to execute an agreement with Final Option Corp dba Pacific Printing 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 26<sup>th</sup> day of January, 2023, 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. 2023-04 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2023.

ATTEST:

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

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

VENDOR AGREEMENT FOR PRODUCTS AND/OR SERVICES  
FOR  
2023 PRINT AND MAILING SERVICES

This Agreement is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2023 by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY hereinafter called "AUTHORITY" and FINALOPTION CORP DBA PACIFIC PRINTING hereinafter called "VENDOR".

RECITALS

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

- A. That AUTHORITY desires to engage VENDOR to provide a product and/or services to the AUTHORITY;
- B. That VENDOR is qualified to provide the product and/or services to the AUTHORITY and;
- C. That the AUTHORITY has elected to engage VENDOR upon the terms and conditions as hereinafter set forth.
  - 1. A. Services. The services to be performed by VENDOR under this Agreement are 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 VENDOR 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.

- B. Product. The product to be supplied by VENDOR under this Agreement is set forth in Exhibit A, attached hereto and, by this reference, made a part hereof ("Product").

Timely delivery of the Product specified in Exhibit A is hereby made an obligation of VENDOR under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the parties.

- 2. Term.

The term of this Agreement shall commence upon the date hereinabove written through December 31, 2023, unless terminated earlier pursuant to Section 9 of this Agreement.

3. Schedule. Time is of the essence in the performance of Services under this Agreement. VENDOR 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 VENDOR in a reasonably prompt and timely manner based upon the circumstances and direction communicated to the VENDOR. 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 VENDOR.
4. Compensation; Expenses; Payment. AUTHORITY shall compensate VENDOR for all Products supplied or Services performed by VENDOR hereunder as shown in Exhibit A attached hereto and by this reference incorporated herein.

Notwithstanding the foregoing, the combined total of compensation and reimbursement of costs payable hereunder shall not exceed the sum of ONE HUNDRED THIRTY-FOUR THOUSAND AND EIGHT HUNDRED SIXTY DOLLARS (\$134,864) plus a contingency amount of THIRTEEN THOUSAND AND FOUR HUNDRED EIGHTY-SIX DOLLARS (\$13,486) for a not to exceed total amount of ONE HUNDRED FORTY-EIGHT THOUSAND AND THREE HUNDRED FIFTY DOLLARS (\$148,350) unless additional amounts have been approved in advance of supplying the Product, performing the Services or incurring the costs and expenses by AUTHORITY's Executive Director (for contracts less than \$60,000) or Board of Directors (for contracts \$60,000 or more) evidenced by motion duly made and carried.

Compensation and reimbursement of costs and expenses hereunder shall be payable upon VENDOR meeting contract milestones as defined in Exhibit A. Billing shall include an itemized statement, briefly describing by task and labor category or cost/expense items billed as more particularly described in Exhibit B, attached hereto and by this reference made a part hereof.

5. Additional Services. In the event AUTHORITY desires the delivery of additional Products or performance of additional Services not otherwise included within Exhibit A, such Products or Services shall be authorized in advance by AUTHORITY's Executive Director (for contracts less than \$60,000) or Board of Directors (for contracts \$60,000 or more) by motion duly made and carried. Such amendment to this Agreement shall include

a description of the Product to be delivered or 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. 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. VENDOR shall keep and maintain accurate records of Products delivered or of all time expended in performing Services and costs and expenses incurred relating thereto. Said records shall be available to AUTHORITY for review and copying during regular business hours at VENDOR's place of business or as otherwise agreed upon by the parties.
7. Documents. All documents, plans, drawings, renderings, and other papers, or copies thereof, as finally rendered, prepared by VENDOR pursuant to the terms of this Agreement, shall, upon preparation and delivery to AUTHORITY, become the property of AUTHORITY
8. Relationship of Parties. It is understood that the relationship of VENDOR to the AUTHORITY is that of an independent contractor and all persons working for or under the direction of VENDOR are its agents or employees and not agents or employees of the AUTHORITY.
9. Termination or Suspension of Agreement.
  - (a) The AUTHORITY may suspend the performance of the Services or delivery of Products, in whole or in part, or terminate this Agreement, with or without cause, by giving ten (10) days prior written notice thereof to VENDOR. Upon receipt of such notice, VENDOR will immediately discontinue its performance of the Services or delivery of Products.
  - (b) VENDOR may terminate this Agreement or suspend its performance of the Services or delivery of Products by giving thirty (30) days prior written notice thereof to AUTHORITY, but only in the event of a substantial failure of performance by AUTHORITY.
  - (c) Upon such suspension or termination, VENDOR shall deliver to the AUTHORITY immediately any and all copies of studies, sketches, drawings, computations, and other data, whether or not completed, prepared by VENDOR or its contractors, if any, or given to VENDOR or its contractors, if any, in connection with this Agreement. Such materials will become the property of AUTHORITY.
  - (d) Upon such suspension or termination by AUTHORITY, VENDOR will be paid for the Services rendered, delivery of Products or

materials delivered to AUTHORITY in accordance with the scope of Services or delivery of Products on or before the effective date (i.e., 10 days after giving notice) of suspension or termination; provided, however, if this Agreement is suspended or terminated on account of a default by VENDOR, AUTHORITY will be obligated to compensate VENDOR only for that portion of VENDOR's Services or Products which are of direct and immediate benefit to AUTHORITY as such determination may be made by the Executive Director acting in the reasonable exercise of his/her discretion. The following Sections will survive any expiration or termination of this Agreement: 10, 11, 12, 9(d), and 14.

(e) No payment, partial payment, acceptance, or partial acceptance by AUTHORITY will operate as a waiver on the part of AUTHORITY of any of its rights under this Agreement.

10. Indemnity. To the fullest extent allowed by law, VENDOR 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 VENDOR, its officers, employees, subcontractors or agents in the performance of any Services or delivery of Products pursuant to this Agreement.

The duty of VENDOR 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.

VENDOR'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.

11. Insurance. VENDOR shall acquire and maintain Workers' Compensation, employer's liability, commercial general liability, owned and non-owned and hired automobile liability insurance coverage relating to VENDOR's Services or Product delivery to be performed hereunder covering AUTHORITY's risks in form subject to the approval of the AUTHORITY's 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 VENDOR's vehicle usage in performing services hereunder)
<sup>1</sup> 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.

VENDOR 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 VENDOR shall agree to be bound to VENDOR and AUTHORITY in the same manner and to the same extent as VENDOR 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

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<sup>1</sup> Note: Cyber liability insurance coverage is not required if the VENDOR is not providing a service involving control of and/or access to SBWMA's website or sensitive financial/other data. Please check and initial the following if cyber liability is **NOT** required for this agreement.  Recommended \_\_\_\_\_  
 [Joanna Rosales-Jose, Project Manager]  Approved \_\_\_\_\_ [Joe LaMariana, Risk Manager]

Agreement will be furnished to the Subcontractor upon request. VENDOR 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, VENDOR shall, on the Insurance Coverage form provided in Exhibit D, or equivalent, furnish AUTHORITY with certificates and copies of all declaration and endorsement pages for the insurance policy or policies required hereunder. With respect to commercial general liability and automobile liability insurance coverage, VENDOR must obtain and provide the following 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 AUTHORITY, its boards, officers, employees and agents, as additional insureds; and
- (c) Providing the additional insured coverage under VENDOR's insurance policy shall be primary and non-contributory insurance with respect to AUTHORITY, its boards, officers, employees and agents, and any insurance or self-insurance maintained by AUTHORITY for itself, its officers, boards, employees, or agents shall be in excess of VENDOR's insurance and not contributory with it. VENDOR 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 VENDOR/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 VENDOR and AUTHORITY in the same manner and to the same extent as VENDOR 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.

VENDOR shall maintain insurance as required by this Agreement to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following completion of this project or service. In the event VENDOR 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 VENDOR.

12. WORKERS' COMPENSATION. VENDOR 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 VENDOR certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
  
13. NON-DISCRIMINATION. The VENDOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The VENDOR 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 VENDOR 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 VENDOR 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.

14. Notice. All notices required by this Agreement shall be given to the AUTHORITY and VENDOR in writing, by first class mail, postage prepaid, addressed as follows:

AUTHORITY: RethinkWaste  
610 Elm St, Suite 202  
San Carlos, CA 94070  
Attention: Joanna Rosales-Jose, Outreach &  
Communications Manager  
Joanne Nghiem, Management Analyst III

VENDOR: Final Option Corp dba Pacific Printing  
Andrew Goett, President  
1445 Monterey St,  
San Jose, CA 95110  
Phone: (408) 293-8083  
Email: andrew@printedunion.com

15. Non-Assignment. This Agreement is not assignable either in whole or in part.
16. Amendments. This Agreement may be amended or modified only by written agreement signed by both parties.
17. 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.
18. 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.
19. 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.

20. 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.
21. Entire Agreement. This Agreement, including Exhibits A, B C, and D, comprises the entire Agreement.
22. 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.
23. 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

VENDOR

Dated: \_\_\_\_\_  
\_\_\_\_\_  
Andrew Goett, President

## EXHIBIT A

### SCOPE OF WORK, WORK SCHEDULE AND FEE SCHEDULE 2023 PRINT AND MAILING SERVICES

#### INTRODUCTION

As part of compliance with the SBWMA Board-approved 2021-2023 Public Education and Technical Assistance Plan, the AUTHORITY is responsible for specific outreach that requires print and mailing services. Such outreach includes educating the public about waste programs, proper sorting, and other waste reduction and diversion programs. The tasks set out by this Vendor Agreement are written below.

#### **Task 1: Household Hazardous Waste Postcard (6x11)**

AUTHORITY shall provide VENDOR with postcard to be printed and mailed, along with a list of addresses of where to be postcard shall be mailed. VENDOR shall print on minimum 30% recycled content paper, print on addresses, and mail postcard at a time period to be determined by the AUTHORITY.

#### **Task 2: Spring/Summer Rethinker Newsletter (8.5x14)**

AUTHORITY shall provide VENDOR with newsletter to be printed and mailed. VENDOR shall purchase list of individual multi-family resident addresses for the SBWMA service area. VENDOR shall print on minimum 30% recycled content paper, seal the newsletter, print on addresses, and mail newsletter at a time to be determined by the AUTHORITY.

#### **Task 3: Fall/Winter Rethinker Newsletter (8.5x14)**

AUTHORITY shall provide VENDOR with newsletter to be printed and mailed and a list of Single-Family residents for mailing. VENDOR shall print on minimum 30% recycled content paper, seal the newsletter, print on addresses, and mail newsletter at a time to be determined by the AUTHORITY.

#### **Task 4: Holiday Postcard 9x6 Postcard (9x6)**

AUTHORITY shall provide VENDOR with postcard to be printed and mailed, along with a list of addresses of where to be postcard shall be mailed. VENDOR shall print on minimum 30% recycled content paper, print on addresses, and mail postcard at a time period to be determined by the AUTHORITY.

## **SCHEDULE OF PERFORMANCE**

VENDOR shall perform Services or deliver Products so as to complete each milestone within the number of months specified below. The time to complete each milestone may be increased or decreased by mutual written agreement of the project managers for VENDOR and AUTHORITY so long as all Services or Products delivery are completed within the term of the Agreement. VENDOR shall provide a detailed schedule of Services or Product delivery consistent with the schedule below within 2 weeks of receipt of the notice to proceed.

<b>Milestones No. of Days/Weeks</b>	<b>Completion From NTP</b>
1. Task 1	1 month
2. Task 2	3 months
3. Task 3	11 months
4. Task 4	12 months

## **COMPENSATION**

The AUTHORITY agrees to compensate the VENDOR for Services or Product delivery performed in accordance with the terms and conditions of this Agreement, and as set forth in the budget schedule below.

VENDOR shall perform the tasks and categories of Services or Product delivery as outlined and budgeted below. The AUTHORITY's Project Manager may approve in writing the transfer of budget amounts between any of the tasks or categories listed below provided the total compensation for Services or Product delivery does not exceed the amounts set forth in Section 4 of this Agreement.

The compensation to be paid to VENDOR under this Agreement for all Services or Product delivered in Section 4 of this Agreement. VENDOR agrees to complete all Services and Additional Services, including reimbursable expenses, within this/these amount(s). Any work performed or expenses incurred for which payment would result in a total exceeding the maximum amount of compensation set forth in this Agreement shall be at no cost to the AUTHORITY.

Notwithstanding the above, in the event of unforeseen costs, AUTHORITY has authorized a contingency in the additional amount of ten percent of the contract amount (\$13,486) which AUTHORITY may utilize to compensate VENDOR for additional costs to VENDOR in completing each Task, if VENDOR demonstrates that unforeseen costs caused the work for a Task to be more expensive than anticipated.

<b>BUDGET SCHEDULE</b>	<b>NOT TO EXCEED AMOUNT</b>
Task 1 (Household Hazardous Waste Postcard)	\$58,237.90
Task 2 (Spring/Summer Rethinker Newsletter)	\$14,822.04
Task 3 (Fall/Winter Rethinker Newsletter)	\$49,309.81
Task 4 (Holiday Postcard)	\$12,493.84
<b>Total Basic Services</b>	<b>\$134,864</b>

EXHIBIT B  
SAMPLE INVOICE

**INVOICE**

Your Company Name  
Address  
City State Zip  
Phone Number

Date:  
Project Number:  
Invoice Number:

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

SBWMA Project: Project Title  
Invoice for Professional Services from 1/1/21 to 1/31/21

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TASK 1 TITLE/Description

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

TOTAL THIS TASK:      \$400

TASK 2 TITLE/Description

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

TOTAL THIS TASK:      \$600.00

TOTAL THIS INVOICE    \$1,000.00

BILLING LIMITS:

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

## EXHIBIT C

### INSURANCE FORMS

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

#### **ATTACHED**

1. Insurance Coverage Form



PACPRI1

OP ID: NG

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
01/16/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>CARE INSURANCE AGENCY, INC.</b> License #0731046 900 N. FIRST STR. #E SAN JOSE, CA 95112- GIANG (JOHN) NGUYEN	<b>408-292-2925</b>	<b>CONTACT NAME:</b> GIANG (JOHN) NGUYEN <b>PHONE (A/C, No, Ext):</b> 408-292-2925 <b>FAX (A/C, No):</b> 408-292-2950 <b>E-MAIL ADDRESS:</b> CAREINSURANCE@HOTMAIL.COM
	<b>INSURER(S) AFFORDING COVERAGE</b>	
<b>INSURER A :</b> EMPLOYERS COMPENSATION INS.		<b>NAIC #</b>
<b>INSURER B :</b> Mercury Casualty Company		
<b>INSURER C :</b>		
<b>INSURER D :</b>		
<b>INSURER E :</b>		
<b>INSURER F :</b>		

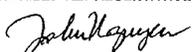
<b>COVERAGES</b>	<b>CERTIFICATE NUMBER:</b>	<b>REVISION NUMBER:</b>
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
<b>B</b>	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> HIRE AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY	<b>X</b>		<b>BA040000018803</b>	<b>11/08/2022</b>	<b>11/08/2023</b>	COMBINED SINGLE LIMIT (Ea accident) \$ <b>1,000,000</b> BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED \$      RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
<b>A</b>	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y/N If yes, describe under DESCRIPTION OF OPERATIONS below		<b>N/A</b>	<b>EIG-2108312 08</b>	<b>05/15/2022</b>	<b>05/15/2023</b>	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ <b>1,000,000</b> E.L. DISEASE - EA EMPLOYEE \$ <b>1,000,000</b> E.L. DISEASE - POLICY LIMIT \$ <b>1,000,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**CERTIFICATE HOLDER NAMED AS ADDITIONAL INSURED IN RESPECT TO THEIR INTEREST AS MAY APPEAR: CUSTOMER.**

<b>CERTIFICATE HOLDER</b>  Rethink Waste 610 Elm Street, Ste. 202 San Carlos, CA 94070	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

## STAFF REPORT

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To: SBWMA Board Members  
From: John Mangini, Senior Finance Manager  
Date: January 26, 2023 Board of Director's Meeting  
Subject: Resolution Approving the SBWMA Investment Policy for 2023

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-05 attached hereto authorizing the adoption of the Investment Policy for 2023. See **Exhibit A** to the Resolution for the proposed 2023 Investment Policy.

### Summary

The Investment Policy states that the policy shall be reviewed and adopted by resolution of the Board on an annual basis, typically at the January BOD Meeting. It was last approved by the Board on January 27, 2022. The 2023 policy has been reviewed by the Board Finance Sub-Committee on January 10<sup>th</sup>, 2023 which recommends approval. Redwood City Staff and Redwood City's investment advisory firm, PFM Consulting, also reviewed the investment policy and recommends a few edits to the policy for compliance with California Code effective on January 1, 2023, following the passage of Senate Bill 1489 in September 2022. The recommended edits are red-lined in **Exhibit A**.

In addition, PFM Consulting recommended adding Section 9 to the policy to allow the SBWMA to invest in Local Government Investment Pools, which are permitted by California Code 53601(p). Per PFM Consulting, Local Government Investment Pools are currently providing higher yields than the SBWMA's two primary investment tools of LAIF and County Pool.

### Background

On August 24, 2000, the Board approved the first Investment Policy based on the City of San Carlos' Investment Policy. The Board has since approved revisions on an annual basis. The attached 2023 Investment Policy is fully compliant with California Code. **The primary objective of the Investment Policy is safety of principal, while meeting the cash flow needs of the JPA, through prudent investment of surplus cash.**

In January 2015, the Audit Committee reviewed the mix of investments between the County Pool and the state LAIF Fund. The Audit Sub-Committee agreed to increase the County Fund to 30% to 50% while keeping the state LAIF Fund at 50% to 70%. This change was approved by the Board at the January 22, 2015 Board meeting.

At Board request, environmentally responsible investment language was added to the adopted 2020 investment policy and this language continues forth in the recommended 2022 policy.

At its June 2021 meeting, the Finance Committee recommended increasing the allowable percentage investments in the County Pool and LAIF Fund. The Committee concluded that the government investment pools are so conservative by law that increasing the allowable percentage is low risk. A greater percentage of

investment in each of the County Pool and LAIF would allow management to maximize returns. The Committee recommended an 80% limit for both County Pool and LAIF and approved by the Board on January 27<sup>th</sup>, 2022.

**Fiscal Impact**

There is no fiscal impact associated with approving the attached Investment Policy.

**Attachments:**

Resolution 2023-05

Exhibit A – Investment Policy



A Public Agency

## RESOLUTION NO. 2023-05

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE SBWMA INVESTMENT POLICY FOR 2023

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA), the City of Redwood City and PFM Consulting have reviewed the SBWMA's current Investment Policy; and

**WHEREAS**, the Board's Finance Sub-Committee has also reviewed the Policy on January 10<sup>th</sup>, 2023 and supports the recommendation; and

**NOW, THEREFORE BE IT RESOLVED** that the South Bayside Waste Management Authority hereby approves the 2023 SBWMA Investment Policy document as shown in 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 26<sup>th</sup> day of January, 2023, 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. 2023-05 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on January 26, 2023.

ATTEST:

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

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

## **SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY INVESTMENT POLICY**

January ~~2022-2023~~

### **POLICY**

The investment of the funds of the South Bayside Waste Management Authority (SBWMA) is directed to the goals of safety, liquidity and yield. This Investment Policy incorporates the policies defined by the certified investment policy standards recommended by the California Debt and Investment Advisory Commission (CDIAC). The authority governing investments for municipal governments is set forth in the California Government Code, Sections 53600 through 53686.

The primary objective of the investment policy of the South Bayside Waste Management Authority is SAFETY OF PRINCIPAL. Investments shall be placed in those securities as outlined by type and maturity sector in this document. Effective cash flow management and resulting cash investment practices are recognized as essential to good fiscal management and control. The SBWMA's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and local law. Portfolio management requires continual analysis and as a result the balance between the various investments and maturities may change in order to give the SBWMA the optimum combination of necessary liquidity and optimal yield based on cash flow projections.

### **SCOPE**

The investment policy applies to all financial assets of the South Bayside Waste Management Authority as accounted for in the Annual Financial Statements. Policy statements outlined in this document focus on the SBWMA's pooled funds and debt-related funds held by the trustee/ fiscal agent.

### **PRUDENCE**

The standard to be used by investment officials shall be that of a "prudent investor" and shall be applied in the context of managing all aspects of the overall portfolio. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

It is the SBWMA's full intent, at the time of purchase, to hold all investments until maturity to ensure the return of all invested principal dollars.

However, it is realized that market prices of securities will vary depending on economic and interest rate conditions at any point in time. It is further recognized that in a well-diversified investment portfolio, occasional measured losses are inevitable due to economic, bond market or individual security credit analysis. These occasional losses must be considered within the context of the overall investment program objectives and the resultant long-term rate of return.

The Assistant City Manager and Administrative Services Director, Financial Services Manager, and Principal Analyst of the City of Redwood City (RWC) and other individuals assigned, as approved by the SBWMA Executive Director and SBWMA Senior Finance Manager to manage the SBWMA investment portfolio, acting within the intent and scope of the investment policy and other written procedures and exercising due diligence, shall be relieved of personal responsibility and liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

## OBJECTIVES

### Safety of Principal

Safety of principal is the foremost objective of the South Bayside Waste Management Authority. Each investment transaction shall seek to ensure that capital losses are avoided, whether from securities default, broker-dealer default or erosion of market value. The SBWMA shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the SBWMA's capital base and cash flow.

Market risk, defined as market value fluctuations due to overall changes in the general level of interest rates, shall be mitigated by limiting the average maturity of the SBWMA's investment portfolio to two years, the maximum maturity of any one security to five years, structuring the portfolio based on historic and current cash flow analysis eliminating the need to sell securities prior to maturity and avoiding the purchase of long term securities for the sole purpose of short term speculation.

### Liquidity

Historical cash flow trends are compared to current cash flow requirements on an ongoing basis in an effort to ensure that the SBWMA's investment portfolio will remain sufficiently liquid to enable the SBWMA to meet all reasonably anticipated operating requirements.

### MATURITY MATRIX

Maturities of investments will be selected based on liquidity requirements to minimize interest rate risk and maximize earnings. Current and expected yield curve analysis will be monitored and the portfolio will be invested accordingly. For purposes of compliance with this Policy, an investment's term or remaining maturity shall be measured from the settlement date to final maturity. The weighted average maturity of the pooled portfolio should not exceed two years and the following percentages of the portfolio should be invested in the following maturity sectors:

Maturity Range	Suggested Percentage
1 day to 7 days	10 to 50%
7 days to 180	10 to 30%
180 days to 360 days	10 to 30%
1 year to 2 years	10 to 20%
2 years to 3 years	0 to 20%
3 years to 4 years	0 to 20%
4 years to 5 years	0 to 20%
Over 5 years	Board Authorization Required *

\* One exception does exist regarding the investment of bond reserve funds. If, in the opinion of the Executive Director or the SBWMA Board of Directors, matching the segregated investment portfolio of the bond reserve fund with the maturity schedule of an individual bond issue is prudent given current economic analysis, the investment policy authorizes extending beyond the five year maturity limitation as outlined in this document.

## **PERFORMANCE EVALUATION**

Investment performance is monitored and evaluated by the Investment Oversight Committee; whose membership is outlined in the following section. Investment performance statistics and activity reports are generated on a quarterly basis for presentation to the Investment Oversight Committee and to the SBWMA Board of Directors. Annually, a statement of investment policy, and any proposed changes to the policy, will be rendered to the Investment Oversight Committee and to the SBWMA Board of Directors for Board consideration at a public meeting.

The SBWMA's investment portfolio is designed to at least attain a market average rate of return through economic cycles. The market average rate of return is defined as average return on the Local Agency Investment Fund (assuming the State does not adversely affect LAIF's returns due to budget constraints).

## **DELEGATION OF AUTHORITY**

The Joint Powers Authority Agreement of the South Bayside Waste Management Authority and the authority granted by SBWMA Board assign the responsibility of investing unexpended cash to the City's Assistant City Manager and Administrative Services Director or Principal Analyst. Daily management responsibility of the investment program may be delegated to the City's Financial Services Manager, who shall establish procedures for the operation consistent with this investment policy.

## **INVESTMENT OVERSIGHT COMMITTEE**

The Assistant City Manager and Administrative Services Director, Financial Services Manager, and Principal Analyst of the City of Redwood City will provide general oversight and direction concerning the policy related to management of SBWMA's investments, in conjunction with the City's investment advisory firm, The Financial Services Manager shall review and approve quarterly investment reports prepared by the Finance Division and meet as necessary to discuss changes to the report or the investment strategy. The SBWMA Board will be provided with quarterly reports for their review within ~~thirty-fourty-five~~ (3045) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code.

## **ETHICS AND CONFLICTS OF INTEREST**

Officers and employees involved in the investment process shall refrain from personal business activity that conflicts with proper execution of the investment program, or impairs their ability to make impartial investment decisions. Additionally the City's Assistant City Manager and Administrative Services Director and the Financial Services Manager are required to annually file applicable financial disclosures as required by the Fair Political Practices Commission (FPPC).

## **SAFEKEEPING OF SECURITIES**

To protect against fraud or embezzlement or losses caused by collapse of an individual securities dealer, all securities owned by the SBWMA shall be held in safekeeping by a third party bank trust department, acting as agent for the SBWMA under the terms of a custody agreement. All trades executed by a dealer will settle delivery versus payment (DVP) through the SBWMA's safekeeping agent.

Securities held custody for the SBWMA shall be monitored by the City's Financial Services Manager to verify investment holdings.

All exceptions to this safekeeping policy must be approved by the City's Financial Services Manager in written form and included in the quarterly reporting to the SBWMA Board of Directors.

## **INTERNAL CONTROL**

Separation of functions between the City's Financial Services Manager and the Principal Analyst, Senior Accountant, Accountant, Account Technician, and/or Account Clerk is designed to provide an ongoing internal review to prevent the potential for converting assets or concealing transactions.

Investment decisions are made by the City's Financial Services Manager, executed by the Principal Analyst, Senior Accountant, Accountant, Account Technician, and/or Account Clerk. All wire transfers initiated by the Accountant or Account Technician must be reconfirmed by the appropriate financial institution to the Financial Services Manager. Proper documentation obtained from confirmation and cash disbursement wire transfers is required for each investment transaction. Timely bank reconciliation is conducted to ensure proper handling of all transactions.

The investment portfolio and all related transactions are reviewed and balanced to appropriate general ledger accounts by the Account Technician on a monthly basis. An independent analysis by an external auditor shall be conducted annually to review and perform procedure testing on the Agency's cash and investments that have a material impact on the financial statements. The Financial Services Manager shall review and assure compliance with investment process and procedures.

## **REPORTING**

The City's Financial Services Manager shall review and render quarterly reports to the Board of Directors which shall include the face amount of the cash investment, the classification of the investment, the name of the institution or entity, the rate of interest, the maturity date, the current market value and accrued interest due for all securities. The quarterly reports will be submitted to the Board of Directors within ~~thirty-fourty-five~~ thirty-fourty-five (3045) days following the end of the quarter covered by the report as per Section 53646 (b)(1) of the California Government Code. If there are no Board of Director meetings within the ~~3045~~ 3045-day period, the quarterly report shall be presented to the Board of Directors at the soonest possible meeting thereafter.

## **QUALIFIED BROKER/DEALERS**

The SBWMA shall transact business only with banks, savings and loans, and with broker/dealers. The broker/dealers should be primary or regional dealers. The [SBWMA City](#) currently does not maintain a list of broker/dealers approved to do business with the [Agency City](#). When necessary, the [SBWMA City](#) shall go through the Request for Proposal processes to select the broker/dealers. Investment staff shall investigate dealers wishing to do business with the SBWMA to determine if they are adequately capitalized, have pending legal action against the firm or the individual broker and make markets in the securities appropriate to the SBWMA's needs. The SBWMA's investment policy shall be made available on the Authority's website for broker/dealers' review.

## **COLLATERAL REQUIREMENTS**

Collateral is required for investments in certificates of deposit. In order to reduce market risk, the collateral level will be at least 110% of market value of principal and accrued interest.

## **ENVIRONMENTALLY RESPONSIBLE INVESTING**

When possible, the Authority will invest in companies that demonstrate verifiable environmental stewardship policies that align with the SBWMA's Triple Zero goals. These goals are identified in the Authority's 2020 Long Range Plan-Guiding Principles and Objectives. They are:

1. Eliminate the disposal of recyclable materials at landfills
2. Eliminate the disposal of organic materials at landfills
3. Minimize Agency greenhouse gas emissions (through measures such as using low-emission vehicle fuels and reducing the need for materials collection and transfer of materials).

These goals will allow the Authority's environmental responsible asset investment to strategically align with its mission, and with its Member Agencies' own environmental visions.

## **AUTHORIZED INVESTMENTS**

Investment of SBWMA funds is governed by the California Government Code Sections 53600 et seq. [Per California Government Code, a security purchased in accordance with this Policy shall not have a forward settlement date exceeding 45 days from the time of investment.](#) Within the context of the limitations, the following investments are authorized, as further limited herein:

1. United States Treasury Bills, Bonds, and Notes or those for which the full faith and credit of the United States are pledged for payment of principal and interest. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
2. Local Agency Investment Fund (LAIF) which is a State of California managed investment pool, and San Mateo County Investment pool, may be used up to the maximum permitted by California State Law. A review of the pool/fund is required when they are part of the list of authorized investments, with the knowledge that the pool/fund may include some investments allowed by statute but not explicitly identified in this investment policy.

3. Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There is no percentage limitation of the portfolio that can be invested in this category, although a five-year maturity limitation is applicable.
4. Bills of exchange or time drafts drawn on and accepted by commercial banks, otherwise known as banker's acceptances. Banker's acceptances purchased may not exceed 180 days to maturity or 40% of the cost value of the portfolio. Also, no more than 30% of the agency's money may be in bankers' acceptances of any one commercial bank.
5. Commercial paper ranked the highest letter and number rating by a nationally recognized statistical rating organization (NRSRO), such as Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services, and issued by domestic corporations having assets in excess of \$500,000,000 and having a rating in the rating category of "A" or the equivalent or better rating on its' long term debentures as provided by NRSRO. Purchases of eligible commercial paper may not exceed 270 days to maturity. Purchases of commercial paper may not exceed 25% of the cost value of the portfolio. No more than 5% of the market value of the portfolio may be invested in any one issuer.
6. Negotiable Certificates of Deposit issued by nationally or state chartered banks (FDIC insured institutions), a savings association or a federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30% of total portfolio. A maturity limitation of five years is applicable. No more than 5% of the market value of the portfolio may be invested in any one issuer.
7. Time deposits, non-negotiable and collateralized in accordance with the California Government Code, may be purchased through banks or savings and loan associations. Since time deposits are not liquid, no more than 30% of the investment portfolio may be invested in this investment type. A maturity limitation of five years is applicable.
8. Medium Term Corporate Notes, with a maximum maturity of five years may be purchased. Securities eligible for investment shall be rated in a rating category of "A" or the equivalent or better by an NRSRO. Purchase of medium term notes may not exceed 30% of the market value of the portfolio and no more than 5% of the market value of the portfolio may be invested in notes issued by one corporation.
9. Local Government Investment Pools, defined as shares of beneficial interest issued by a joint powers authority organized pursuant to California Government Code Section 6509.7 that invests in the securities and obligations authorized in subdivisions California Government Code Section 53601 (a) to (r), inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria: (1) The adviser is registered or exempt from registration with the Securities and Exchange Commission. (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in California Government Code Section 53601 subdivisions (a) to (q),

inclusive. (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000). There is no percentage limitation of the portfolio that can be invested in this category

910. Ineligible investments are those that are not described herein, including but not limited to, common stocks and long term (over five years in maturity) notes and bonds are prohibited from use in this portfolio. It is noted that special circumstances arise that necessitate the purchase of securities beyond the five-year limitation. On such occasions, requests must be approved by Board of Directors prior to purchase.

~~1011.~~ Various daily money market funds administered for or by trustees, paying agents and custodian banks contracted by the SBWMA may be purchased as allowed under State of California Government Code. Only funds holding U.S. Treasury or Government agency obligations can be utilized.

The following summary of maximum percentage limits, by instrument, is established for the SBWMA's total pooled funds portfolio:

Authorized Investment Type	Government Code	Maximum Maturity	Minimum Credit Quality	Maximum in Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	16429.1	Upon Demand	N/A	20% to 80% of the investment portfolio, as approved by the SBWMA Board but no more than \$75 million permitted by LAIF	N/A
San Mateo County Investment Pool	53684	Upon Demand	N/A	20% to 80% of the investment portfolio, as approved by the SBWMA Board	N/A
<u>Local Government Investment Pools</u>	<u>53601(p)</u>	<u>Upon Demand</u>	<u>N/A</u>	<u>100%</u>	<u>N/A</u>
Treasury Obligations (bills, notes & bonds)	53601(b)	5 Years	N/A	100%	N/A
US Government Agency and Federal Agency Securities	53601(f)	5 Years	N/A	100%	N/A
Bankers' Acceptances	53601(g)	180 Days	N/A	40%	30%
Commercial Paper	53601(h)	270 Days	Highest letter and	25%	5%

			number rating by an NRSRO		
Negotiable Certificates of Deposit	53601(i)	5 Years	N/A	30%	5%
Time Certificates of Deposit – Banks or Savings and Loans	53601.8	5 Years	N/A	30%	N/A
Medium Term Corporate Notes	53601(k)	5 Years	Rating category “A” by NRSRO	30%	5%

**DERIVATIVE INVESTMENTS**

Derivatives are investments whose value is "derived" from a benchmark or index. That benchmark can be almost any financial measure from interest rates to commodity and stock prices. The use of derivatives is prohibited under this policy.

**LEGISLATIVE CHANGES**

Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will be incorporated into the South Bayside Waste Management Authority's Investment Policy and supersede any and all previous applicable language.

**INTEREST EARNINGS**

All moneys earned and collected from investments authorized in this policy shall be allocated quarterly to various fund accounts based on the cash balance in each fund at quarter end as a percentage of the entire pooled portfolio.

**LIMITING MARKET VALUE EROSION**

The longer the maturity of securities, the greater their market price volatility. Therefore, it is the general policy of the SBWMA to limit the potential effects from erosion in market values by adhering to the following guidelines:

All immediate and anticipated liquidity requirements will be addressed prior to purchasing all investments.

Maturity dates for long-term investments will coincide with significant cash flow requirements where possible, to assist with short term cash requirements at maturity.

All long-term securities will be purchased with the intent to hold all investments to maturity under then prevailing economic conditions. However, economic or market conditions may change, making it in the SBWMA's best interest to sell or trade a security prior to maturity.

## **PORTFOLIO MANAGEMENT ACTIVITY**

The investment program shall seek to augment returns consistent with the intent of this policy, identified risk limitations and prudent investment principals. These objectives will be achieved by use of the following strategies:

Active Portfolio Management. Through active fund and cash flow management, taking advantage of current economic and interest rate trends, the portfolio yield may be enhanced with limited and measurable increases in risk by extending the weighted maturity of the total portfolio.

Portfolio Maturity Management. When structuring the maturity composition of the portfolio, the SBWMA shall evaluate current and expected interest rate yields and necessary cash flow requirements. It is recognized that in normal market conditions longer maturities produce higher yields. However, the securities with longer maturities also experience greater price fluctuations when the level of interest rates change.

Security Swaps. The SBWMA may take advantage of security swap opportunities to improve the overall portfolio yield. A swap, which improves the portfolio yield, may be selected even if the transactions result in an accounting loss. Documentation for swaps will be included in the SBWMA permanent investment file documents.

Competitive Bidding. It is the policy of the SBWMA to require competitive bidding for investment transactions that are not classified as "new issue" securities. For the purchase of non-"new issue" securities and the sale of all securities at least three bidders must be contacted. Competitive bidding for security swaps is also suggested, however, it is understood that certain time constraints and broker portfolio limitations exist which would not accommodate the competitive bidding process. If a time or portfolio constraining condition exists, the pricing of the swap should be verified to current market conditions and documented for auditing purposes.

## **POLICY REVIEW**

The South Bayside Waste Management Authority's investment policy shall be adopted by resolution of the Board on an annual basis. This investment policy shall be reviewed at least annually to ensure its consistency with the overall objectives of preservation of principal, liquidity and yield, and its relevance to current law and financial and economic trends. Any amendments to the policy shall be forwarded to Board for approval.

## **Glossary of Terms**

Accrued Interest- Interest earned but not yet received.

Active Deposits- Funds which are immediately required for disbursement.

Amortization- An accounting practice of gradually decreasing (increasing) an asset's book value by spreading its depreciation (accretion) over a period of time.

Annual Financial Report - The official annual financial report for the SBWMA. It includes five combined statements and basic financial statements for each individual fund and account group prepared in conformity with Generally Accepted Accounting Principles (GAAP).

Asked Price- The price a broker dealer offers to sell securities.

Basis Point- One basis point is one hundredth of one percent (.01).

Bid Price- The price a broker dealer offers to purchase securities.

Bond- A financial obligation for which the issuer promises to pay the bondholder a specified stream of future cash flows, including periodic interest payments and a principal repayment.

Bond Swap – Selling one bond issue and buying another at the same time in order to create an advantage for the investor. Some benefits of swapping may include tax-deductible losses, increased yields, and an improved quality portfolio.

Book Entry Securities – Securities, such stocks held in “street name,” that are recorded in a customer’s account, but are not accompanied by a certificate. The trend is toward a certificate-free society in order to cut down on paperwork and to diminish investors’ concerns about the certificates themselves. All the large New York City banks, including those that handle the bulk of the transactions of the major government securities dealers, now clear most of their transactions with each other and with the Federal Reserve through the use of automated telecommunications and the “book-entry” custody system maintained by the Federal Reserve Bank of New York. These banks have deposited with the Federal Reserve Bank a major portion of their government and agency securities holdings, including securities held for the accounts of their customers or in a fiduciary capacity. Virtually all transfers for the account of the banks, as well as for the government securities dealers who are their clients, are now effected solely by bookkeeping entries. The system reduces the costs and risks of physical handling and speeds the completion of transactions.

Bearer and Registered Bonds - In the past, bearer and registered bonds were issued in paper form. Those still outstanding may be exchanged at any Federal Reserve Bank or branch for an equal amount of any authorized denomination of the same issue. Outstanding bearer bonds are interchangeable with registered bonds and bonds in “book-entry” form. That is, the latter exist as computer entries only and no paper securities are issued. New bearer and registered bonds are no longer being issued. Since August 1986, the Treasury’s new issues of marketable notes and bonds are available in book-entry form only. All Treasury bills and more than 90% of all other marketable securities are now in book-entry form. Book-entry obligations are transferable only pursuant to regulations prescribed by the Secretary of the Treasury.

Book Value- The value at which a debt security is shown on the holder's balance sheet. Book value is acquisition cost less amortization of premium or accretion of discount.

Broker – In securities, the intermediary between a buyer and a seller of securities. The broker, who usually charges a commission, must be registered with the exchange in which he or she is trading, accounting for the name registered representative.

Certificate of Deposit- A deposit insured up to \$250,000 by the FDIC at a set rate for a specified period of time.

Collateral- Securities, evidence of deposit or pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposit of public moneys.

Constant Maturity Treasury (CMT) - An average yield of a specific Treasury maturity sector for a specific time frame. This is a market index for reference of past direction of interest rates for the given Treasury maturity range.

Coupon- The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value.

Credit Analysis- A critical review and appraisal of the economic and financial conditions or of the ability to meet debt obligations.

Current Yield- The interest paid on an investment expressed as a percentage of the current price of the security.

Custody- A banking service that provides safekeeping for the individual securities in a customer's investment portfolio under a written agreement which also calls for the bank to collect and pay out income, to buy, sell, receive and deliver securities when ordered to do so by the principal.

Delivery vs. Payment (DVP) - Delivery of securities with a simultaneous exchange of money for the securities.

Discount- The difference between the cost of a security and its value at maturity when quoted at lower than face value.

Diversification- Dividing investment funds among a variety of securities offering independent returns and risk profiles.

Duration- The weighted average maturity of a bond's cash flow stream, where the present value of the cash flows serve as the weights; the future point in time at which on average, an investor has received exactly half of the original investment, in present value terms; a bond's zero-coupon equivalent; the fulcrum of a bond's present value cash flow time line.

Fannie Mae- Trade name for the Federal National Mortgage Association (FNMA), a U.S. sponsored corporation.

Federal Reserve System- The central bank of the U.S. that consists of a seven member Board of Governors, 12 regional banks and approximately 3,000 commercial banks that are members.

Federal Deposit Insurance Corporation (FDIC) - Insurance provided to customers of a subscribing bank that guarantees deposits to a set limit (currently \$250,000) per account.

Fed Wire- A wire transmission service established by the Federal Reserve Bank to facilitate the transfer of funds through debits and credits of funds between participants within the Fed system.

Freddie Mac- Trade name for the Federal Home Loan Mortgage Corporation (FHLMC), a U.S. sponsored corporation.

Ginnie Mae- Trade name for the Government National Mortgage Association (GNMA), a direct obligation bearing the full faith and credit of the U.S. Government.

Inactive Deposits- Funds not immediately needed for disbursement.

Interest Rate- The annual yield earned on an investment, expressed as a percentage.

Investment Agreements- An agreement with a financial institution to borrow public funds subject to certain negotiated terms and conditions concerning collateral, liquidity and interest rates.

Liquidity- Refers to the ability to rapidly convert an investment into cash.

Market Value- The price at which a security is trading and could presumably be purchased or sold.

Maturity- The date upon which the principal or stated value of an investment becomes due and payable.

Nationally Recognized Statistical Rating Organizations (NRSRO): A U.S. Securities & Exchange Commission registered agency that assesses the creditworthiness of an entity or specific security. NRSRO typically refers to Standard and Poor's Ratings Services, Fitch Ratings, Inc. or Moody's Investors Services.

New Issue- Term used when a security is originally "brought" to market.

Perfected Delivery- Refers to an investment where the actual security or collateral is held by an independent third party representing the purchasing entity.

Portfolio- Collection of securities held by an investor.

Primary Dealer- A group of government securities dealers that submit daily reports of market activity and security positions held to the Federal Reserve Bank of New York and are subject to its informal oversight.

Purchase Date- The date in which a security is purchased for settlement on that or a later date.

Rate of Return- The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond or the current income return.

Repurchase Agreement (REPO) - A transaction where the seller (bank) agrees to buy back from the buyer (SBWMA) the securities at an agreed upon price after a stated period of time.

Reverse Repurchase Agreement (REVERSE REPO) - A transaction where the seller (SBWMA) agrees to buy back from the buyer (bank) the securities at an agreed upon price after a stated period of time.

Risk- Degree of uncertainty of return on an asset.

Safekeeping- see custody.

Sallie Mae- Trade name for the Student Loan Marketing Association (SLMA), a U.S. sponsored corporation.

Secondary Market- A market made for the purchase and sale of outstanding issues following the initial distribution.

Settlement Date- The date on which a trade is cleared by delivery of securities against funds.

Time Deposit – A deposit in an interest-paying account that requires the money to remain on account for a specific length of time. While withdrawals can generally be made from a passbook account at any time, other time deposits, such as certificates of deposit, are penalized for early withdrawal.

Treasury Obligations- Debt obligations of the U.S. Government that are sold by the Treasury Department in the forms of bills, notes, and bonds. Bills are short-term obligations that mature in one year or less. Notes are obligations that mature between one year and ten years. Bonds are long-term obligations that generally mature in ten years or more.

U.S. Government Agencies- Instruments issued by various US Government Agencies most of which are secured only by the credit worthiness of the particular agency.

Yield- The rate of annual income return on an investment, expressed as a percentage. It is obtained by dividing the current dollar income by the current market price of the security.

Yield to Maturity- The rate of income return on an investment, minus any premium or plus any discount, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond, expressed as a percentage.

Yield Curve- The yield on bonds, notes or bills of the same type and credit risk at a specific date for maturities up to thirty years.



## STAFF REPORT

To: SBWMA Board Members  
 From: John Mangini, Senior Finance Manager  
 Date: January 26, 2023 SBWMA Board of Directors Meeting  
 Subject: Approval of Quarterly Investment Report for the Quarter Ended September 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 September 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 September 30, 2022, funds in the amount of \$34,528,328 were invested, producing a weighted average yield of 1.91%.

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

	Qtr Ended 6/30/22	Qtr Ended 9/30/22	Increase (Decrease)
Total Portfolio	\$ 34,429,541	\$ 34,528,328	\$ 98,787
Weighted Average Return	1.00%	1.91%	0.91%
Interest/Dividends Earnings	\$ 59,048	\$ 123,906	\$ 64,858

The total quarter-end portfolio balance increased by \$98,787 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 weighted average return.

A table comparison of the portfolio components is provided below:

	<b>6/30/2022 Balance</b>	<b>% of Total</b>	<b>9/30/2022 Balance</b>	<b>% of Total</b>	<b>Change over Prior Quarter</b>
SM County Pool	\$ 9,559,309	27.8%	\$ 9,585,124	27.76%	\$ 25,815
LAIF	12,397,313	36.0%	12,420,523	35.97%	23,210
Bond Accounts	12,472,919	36.2%	12,522,681	36.27%	49,762

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 September 30, 2022, the bond project accounts of approximately \$12.5 million were invested with the trustee in cash and short-term investments

As of September 30, 2022, investment in the County Investment Pool totaled 43.6% of SBWMA's funds available for investment pools (see Attachment 1), while the investment in LAIF totaled 56.4%. 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 1.44%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending June 30, 2022, was 1.51%, higher than the 0.75% in the prior quarter. The San Mateo County Pool average yield for the quarter was 1.34%, higher than the 1.08% 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 September 30, 2022
- B – Investment Portfolio 9/30/2022 - Chart
- C – Historical Summary of Investment Portfolio

## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

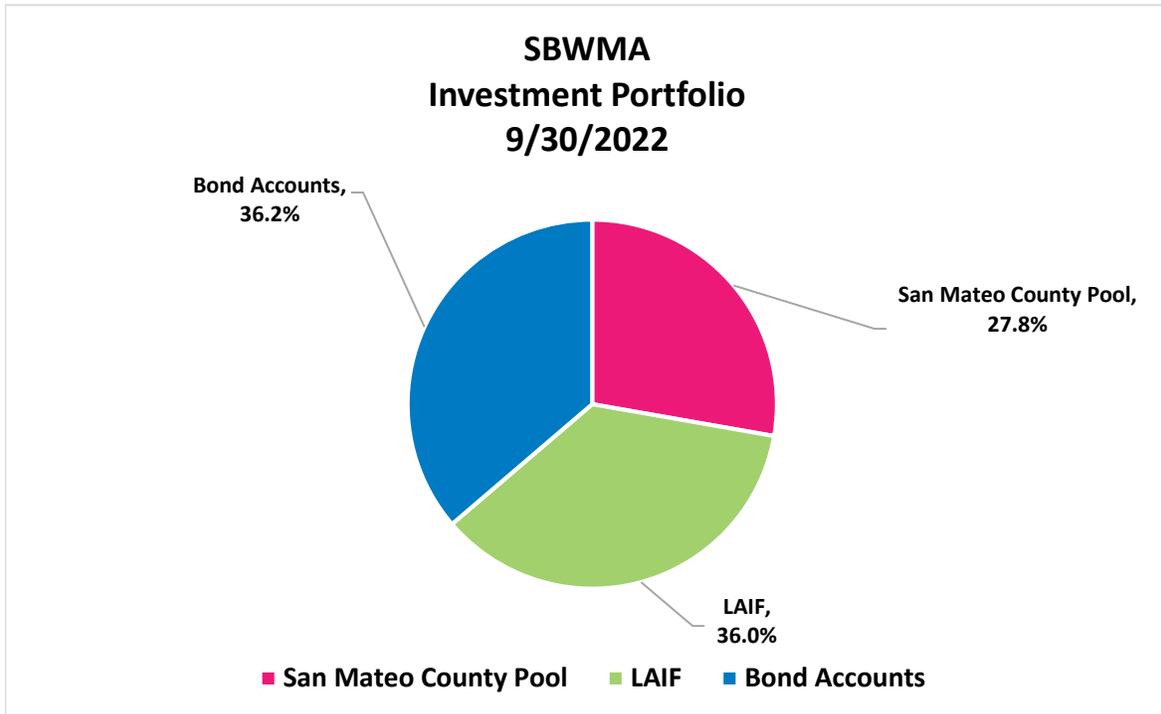
SUMMARY OF ALL INVESTMENTS  
For Quarter Ending September 30, 2022

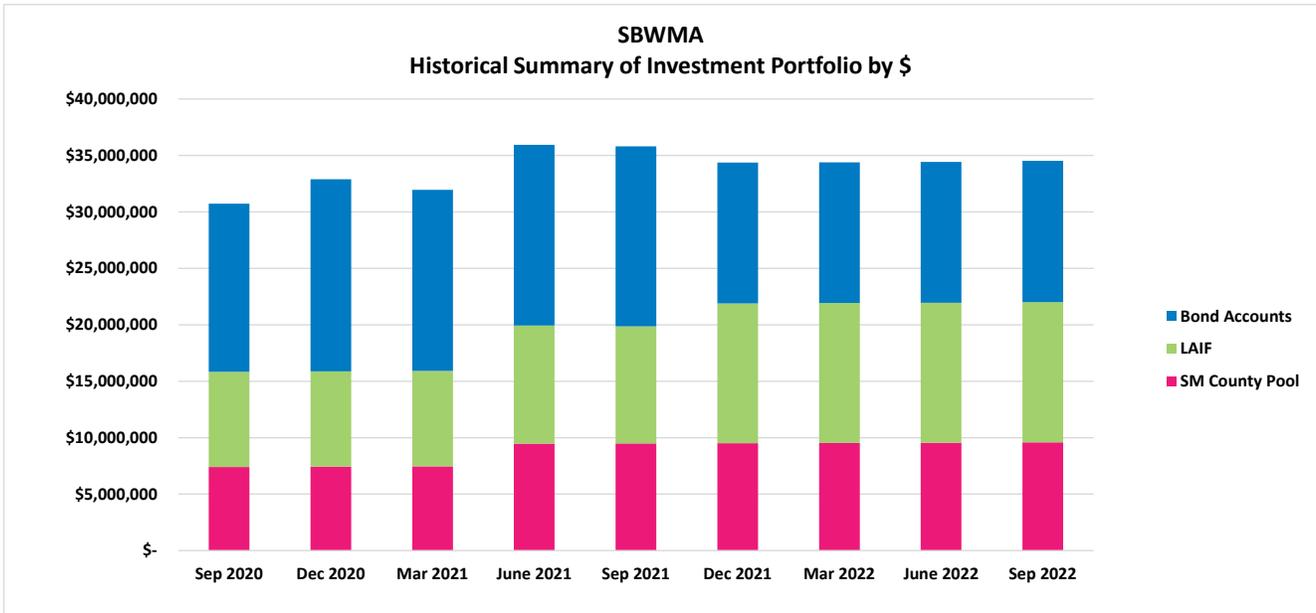
Category	Rate of Return	Historical Cost	% of Portfolio	Market Value*	Interest/Dividend Earned
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	1.34%	\$ 9,585,124	43.6%	\$ 9,225,761	\$ 31,871
Local Agency Investment Fund (LAIF)	1.51%	12,420,523	56.4%	\$ 12,181,564	42,262
	Weighted Average				
<b>Total - Investments</b>	<b>1.44%</b>	<b>22,005,647</b>	<b>100.0%</b>	<b>21,407,325</b>	<b>74,133</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	2.74%	969		969	969
BNY - 2019AB Refunding Costs Fund	0.00%	1		1	-
BNY - 2019AB Refunding Project Fund	2.74%	12,521,711		12,521,711	48,804
<b>Total - Bond Accounts</b>	<b>2.74%</b>	<b>12,522,681</b>		<b>12,522,681</b>	<b>49,773</b>
	Weighted Average				
<b>GRAND TOTAL OF PORTFOLIO</b>	<b>1.91%</b>	<b>\$ 34,528,328</b>		<b>\$ 33,930,006</b>	<b>\$ 123,906</b>
<b>Total Interest/Dividend Earned This Quarter</b>					<b>123,906</b>
<b>Total Interest/Dividend Earned Fiscal Year-to-Date</b>					<b>214,195</b>

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

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

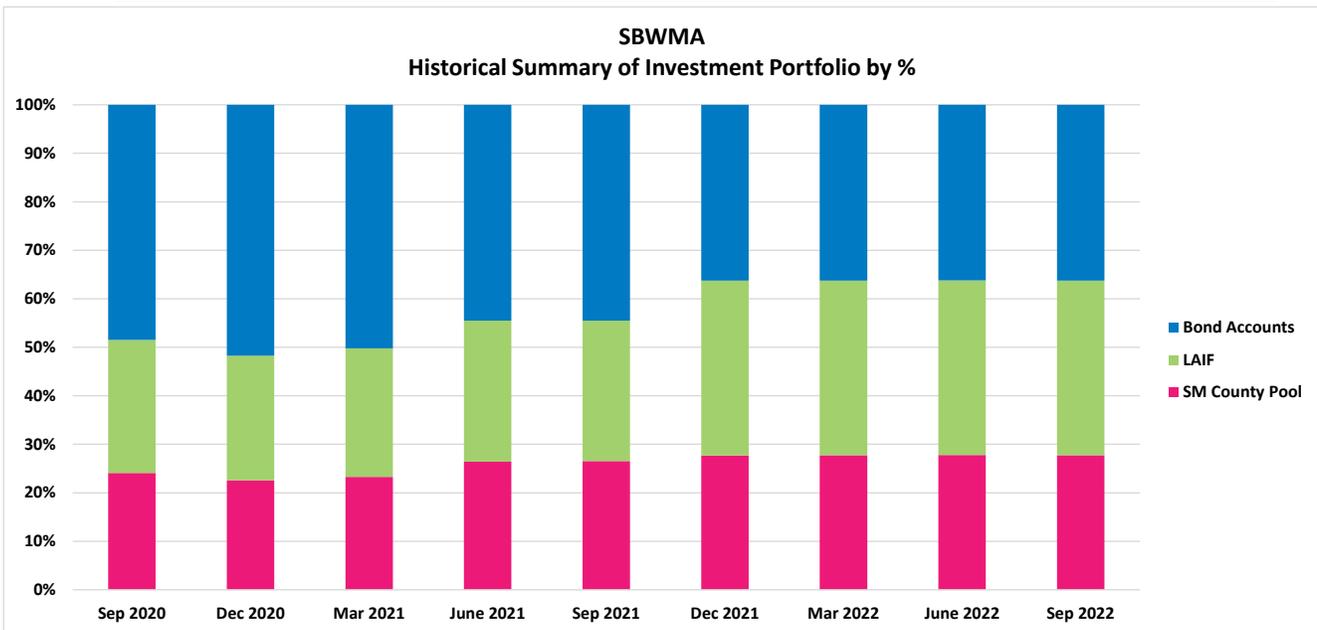
\*Difference in value between Historical Cost and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools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

	Sep 2020	Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
SM County Pool	7,403,715	7,432,906	7,454,664	9,474,545	9,494,426	9,518,081	9,538,795	9,559,309	9,585,124
LAIF	8,426,617	8,445,144	8,458,497	10,467,738	10,375,190	12,381,550	12,387,551	12,397,313	12,420,523
Bond Accounts	14,895,200	17,022,676	16,048,067	16,000,448	15,928,708	12,461,970	12,462,894	12,472,919	12,522,681
<b>Grand Total</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>	<b>\$ 34,429,541</b>	<b>\$ 34,528,328</b>



	Sep 2020	Dec 2020	Mar 2021	June 2021	Sep 2021	Dec 2021	Mar 2022	June 2022	Sep 2022
SM County Pool	24.1%	22.6%	23.3%	26.4%	26.5%	27.7%	27.7%	27.8%	27.8%
LAIF	27.4%	25.7%	26.5%	29.1%	29.0%	36.0%	36.0%	36.0%	36.0%
Bond Accounts	48.5%	51.7%	50.2%	44.5%	44.5%	36.3%	36.2%	36.2%	36.2%
<b>Grand Total</b>	<b>100.0%</b>								

## STAFF REPORT

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**To:** SBWMA Board of Directors  
**From:** Jean Savaree, General Counsel  
**Date:** January 26, 2023 Board of Directors Meeting  
**Subject:** Resolution of the SBWMA Board of Directors finding that meetings of the Board of Directors, Technical Advisory Committee, and all Board appointed Brown Act Committees held via hybrid formally protects against the ongoing and imminent health and safety risks posed to COVID-19 and determining that all such meetings will continue to be held in hybrid format to allow attendance in person or remotely pursuant to California Government Code section 54953(e)

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### Recommendation

It is recommended that the SBWMA Board of Directors adopt resolution 2023-06, making the findings required under California Government Code Section 54953 to continue holding public meetings of the Board, Technical Advisory Committee (TAC), and all subcommittees of the Board via teleconference/Zoom videoconference to allow members of those bodies, staff, and the public to attend meetings remotely.

### Background and Discussion

On October 21, 2021, November 18, 2021, January 27, 2022, February 24, 2022, April 28, 2022, and June 23, 2022, the SBWMA Board of Directors approved resolutions that made the findings required to continue SBWMA's practice of holding public meetings by Zoom videoconference. Specifically, those resolutions found that:

- 1) the declared state of emergency in response to the COVID-19 pandemic remained in effect;
- 2) State or local officials have imposed or recommended measures to promote social distancing; and
- 3) meeting in person would present imminent risks to the health and safety of attendees.

At the Board's September 22, 2022 meeting, it directed by resolution that meetings of the Board would switch to a hybrid format to allow attendees to participate in the meeting either in person or by Zoom videoconference. The resolution directing that meetings be held in hybrid format made similar findings to the prior resolutions authorizing fully-remote meetings; mainly that attendance at in-person meetings presents an imminent risk of COVID-19 transmission. On November 17, 2022, the Board reconsidered these findings and again found, by resolution, that meetings should continue to be held in hybrid format.

Pursuant to Government Code Section 54953, the Board's findings and authorization to continue meeting remotely cannot remain effective for more than thirty (30) days. As such, the Board must reconsider its determination at each of its meetings to reauthorize remote meetings until the Board no longer believes remote meetings are necessary.

The attached resolution makes similar findings to those previously made by the Board. Staff believes that these finding can and should be made by the Board, due to the ongoing threat of COVID-19 transmission.

On February 9, 2022, the San Mateo County Health Officer, in conjunction with health officers from the other Bay Area counties, announced that he would align the County with the State's masking requirements. While the State subsequently lifted its indoor masking requirements for vaccinated people on February 16, 2022, and for unvaccinated people on March 1, 2022, the California Department of Public Health (CDPH) continues to strongly recommend that all persons, regardless of vaccination status, continue indoor masking.

The San Mateo County Health Officer made a similar recommendation when announcing the County's alignment with the State. Specifically, County Health noted that "continuing to mask in indoor public settings, especially crowded or poorly ventilated spaces, remains the safest choice for an individual and protects those who are medically vulnerable or are not able to get vaccinated, like our youngest children." Further, the County recommended that "people should continue to choose layered prevention strategies, such as wearing well-fitted masks (N95 or double layer cloth over surgical are best); staying home and testing when symptomatic; testing before gatherings; and improving indoor ventilation in situations where these strategies can add protection for themselves and others."

Currently, the San Mateo County Health Office lists among its strategies for community prevention measures limiting the number of people indoors, maintaining proper ventilation in indoor spaces, and wearing masks.<sup>1</sup> As we have entered the cold winter months, ensuring proper ventilation inside the Board's meeting room will be more difficult than during the warmer months.

Holding hybrid meetings protects against the ongoing threat of COVID-19 transmission and is the least disruptive method the Board can utilize to protect against the ongoing threat of COVID-19 transmission. COVID-19 spreads easily and quickly through airborne droplets, particularly when indoors. While face coverings, testing, and ventilating indoor spaces can reduce transmission, they cannot eliminate the threat. Conducting hybrid meetings allows attendees to fully participate without requiring that they gather in the same indoor space. Further, hybrid meetings allow those that wish to attend meetings in person to do so, while also allowing attendees to participate in meetings even if they are not comfortable or safe attending in person. Hybrid meetings also allow attendees to participate remotely if have been exposed to COVID-19 or are experiencing symptoms of COVID-19.

## Conclusion

As the California state of emergency in response to COVID-19 remains effective and because the California Department of Public Health and San Mateo County Health Officer encourage social distancing measures to decrease transmission, particularly in indoor public locations, Staff recommends that the Board approve the attached resolution, which makes the findings required under Government Code 54953(e) to continue meeting in hybrid format.

### Attachments:

Resolution 2023-06

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<sup>1</sup> <https://www.smchealth.org/preventing-respiratory-infections> (accessed January 3, 2022)



## RESOLUTION NO. 2023-06

**RESOLUTION OF THE SBWMA BOARD OF DIRECTORS FINDING THAT MEETINGS OF THE BOARD OF DIRECTORS, TECHNICAL ADVISORY COMMITTEE, AND ALL BOARD-APPOINTED SUBCOMMITTEES VIA HYBRID FORMAT PROTECTS AGAINST THE ONGOING AND IMMINENT HEALTH AND SAFETY RISKS POSED BY COVID-19 AND DETERMINING THAT ALL SUCH MEETINGS WILL CONTINUE TO BE HELD IN HYBRID FORMAT TO ALLOW ATTENDANCE IN PERSON OR REMOTELY PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54953(E)**

**WHEREAS**, on March 4, 2020, the Governor declared a state of emergency in response to the COVID-19 pandemic and California remains in a declared state of emergency; and

**WHEREAS**, on March 17, 2020, the Governor issued Executive Order N-29-20, temporarily suspending certain provisions of the Ralph M. Brown Act to allow local agencies to hold public meetings teleconference; and

**WHEREAS**, through subsequent Executive Orders, local agencies were able to continue holding public meetings by teleconference through September 30, 2021; and

**WHEREAS**, on an emergency basis, on September 16, 2021, the State adopted AB 361, codified at California Government Code Section 54953, which allows local agencies to continue meeting by teleconference under certain circumstances and after making certain findings; and

**WHEREAS**, on September 13, 2022, the State adopted AB 2449, which recast the provisions of Government Code 54953 originally adopted through AB 361 related to meeting remotely during the duration of the declared state of emergency; and

**WHEREAS**, the South Bayside Waste Management Authority (SBWMA) Board of Directors, Technical Advisory Committee (TAC), and all Board-appointed subcommittees have met by videoconference from March 2020 to September 2022 and found it to be an effective method of receiving public input, holding deliberations, and conducting the general business of the SBWMA; and

**WHEREAS**, the California Department of Public Health (CDPH) and San Mateo County Health Officer lifted their respective indoor mask requirements on February 16, 2022, but still "strongly recommend" that people wear masks when in indoor public settings; and

**WHEREAS**, the San Mateo County Health Officer continues to recommend additional strategies to prevent transmission of the COVID-19 virus, including staying home and testing when symptomatic and improving indoor ventilation; and

**WHEREAS**, in accordance with the social distancing measures still encouraged by CDPH and the San Mateo County Health Officer, the Board finds that it is important to continue to provide the option for attendees of its meetings to participate remotely; and

**WHEREAS**, holding meetings in hybrid format, in which attendees can participate either in person or remotely by videoconference, allows people who are at particular risk if exposed to COVID-19 to participate in meetings without requiring that they attend in person; and

**WHEREAS**, holding meetings in hybrid format allows attendees who have been exposed to COVID-19 or are experiencing symptoms to participate in Board meetings remotely and avoid exposing other attendees; and

**WHEREAS**, on September 22, 2022, the Board of Directors determined that it was appropriate to move from fully remote meetings to a "hybrid" model for public meetings of the Board, TAC, and Board-appointed subcommittees; and

**WHEREAS**, on November 17, 2022, the Board of Directors reconsidered its direction to meet in hybrid format determined that doing so continued to be necessary due to the ongoing threat of COVID-19; and

**WHEREAS**, the Board of Directors has again reconsidered its direction to meet in hybrid format and finds that meeting in hybrid format continues to be necessary due to the ongoing threat of COVID-19.

**NOW, THEREFORE, BE IT RESOLVED**, that the SBWMA Board of Directors does find and declare as follows:

1. Since March 4, 2020, and continuing through the date of this Resolution, there has been a declared state of emergency in California in response to the COVID-19 pandemic; and
2. The California Department of Public Health and San Mateo County Health Officer continue to recommend face coverings be worn in indoor public settings as a social distancing measure; and
3. The California Department of Public Health and San Mateo County Health Officer continue to recommend that people take measures to prevent the transmission of COVID-19, particularly when gathering in indoor public settings; and
4. Holding meetings in person creates an imminent risk to the health and safety of attendees because COVID-19 spreads particularly quickly during indoor public gatherings; and
5. Holding hybrid meetings will reduce the possibility of COVID-19 transmission during those meetings by allowing those who are at-risk or potentially suffering COVID-19 symptoms to participate in meetings without physically attending.

**NOW, THEREFORE BE IT FURTHER RESOLVED**, that the SBWMA Board of Directors directs that the Board, TAC, and all Board-appointed subcommittees shall meet in hybrid format for at least the next thirty days, at which time, or as soon thereafter as the Board shall meet, the Board will review whether this action remains necessary to protect the health and safety of meeting attendees. Any public comment period at any such meeting shall allow comments from members of the public attending remotely in the same form and fashion as comment taken from those attending in-person. If at any time during any such meeting the ability to broadcast the meeting

and accept public comments from remote attendees is disrupted, the body holding the meeting shall recess until the disruption is resolved or continue the meeting to a later date when videoconference/teleconference participation can be restored.

**PASSED AND ADOPTED** by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 26th day of January 2023, 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. 2023-06 was duly and regularly adopted at a meeting of the South Bayside Waste Management Authority on January 26, 2023.

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

ATTEST:

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