SBWMA BOARD OF DIRECTORS MEETING
THURSDAY June 22, 2023 at 2:00 p.m.

Location:
San Mateo County Transit District Office
1250 San Carlos Ave
Second Floor Auditorium
San Carlos, CA 94070

Teleconference Location*:
Member Froomin (Foster City)
Santa Clara University Leavey Center
500 El Camino Real
Santa Clara, CA 95053

The public may observe/participate in Board of Directors meetings remotely or in person. Remote and in person public comment options are listed below.

Board of Directors members shall attend in person unless remote participation is permitted by law.

TO ADDRESS THE BOARD OF DIRECTORS IN PERSON
Masking is not required but according to the California Department of Public Health guidelines, people at higher risk for severe illness should consider masking. To help maintain public health and safety, we respectively request that people NOT attend in-person if they are experiencing symptoms associated with COVID-19 or are otherwise ill and likely contagious (e.g., respiratory illnesses).

To address the Board of Directors on any item – whether on the posted agenda or not – please fill out a Request to Speak Form and submit it to the Board Clerk. Speakers are not required to submit their name or address.

REMOTE PARTICIPATION
Members of the public may participate in public Agency meetings by logging into the Zoom:
https://us02web.zoom.us/j/89203642276?pwd=NmhiNGLpRDAYUTd5TDIgRU9TTFFoT09
Meeting ID: 892 0364 2276 Passcode: 832032

Written public comments for the record may be submitted in advance by 12:00 p.m. on the meeting date by email to: rethinker@rethinkwaste.org and will be made part of the written record but will not be read verbally at the meeting. Written public comments submitted by email should adhere to the following: 1) Clearly indicate the Agenda Item No. or specify “Public” in the Subject Line for items not on the agenda and 2) Include the submitter's full name. You may also use the raise hand feature on Zoom to enter a verbal public comment.

*Pursuant to Ralph M. Brown Act, government code section 54953, all votes shall be by roll call if any members of the board of directors are participating by teleconference and/or video conference.

AGENDA

1. Call to Order/Roll Call

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

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.  

A. Approval of the Minutes from the April 27, 2023, Board of Directors Meeting  
ACTION p. 13  
B. Resolution Accepting the Findings from the Annual Operational and Financial Systems Audit for 2022  
ACTION p. 23  
C. Resolution Approving Annual Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for a three-and-one-half year period ending on December 31, 2026  
ACTION p. 39  
D. Resolution to Authorize SCS Engineers Contract Amendment No. 1 For $14,913 For Additional Services to Define Prioritization of the Needs/Requirements of the January 2023 Shoreway Environmental Center Site Optimization and Design Development Starting Point Findings / Recommendations Report  
ACTION p. 53  
E. Approval of Quarterly Investment Report for the Quarter Ended March 31, 2023  
ACTION p. 61  

5. Administrative and Finance  
A. Retreat Feedback and Approval of the Minutes from the May 25, 2023 Board/TAC Retreat  
ACTION p. 69  
B. Resolution Approving Mid-Year 2023 Budget Adjustments and the FY2024 Budget Forecast with 2024 Member Agency Tip Fee Projections  
ACTION p. 77  
C. Resolution Approving the Facility Property Insurance Coverage/Premium for Policy Year 2023/2024  
ACTION p. 93  

6. Collection and Recycling Program Support and Compliance  
No Items  

7. Shoreway Operations and Contract Management  
A. Resolution Approving Contract for Underground Fuel Storage Tank Removal and Replacement Project with CIC For a Not to Exceed (NTE)Amount of $2,423,964  
ACTION p. 105  

8. Public Education Outreach and Legislation  
A. Mid-Session Legislative Update Presentation by Reed Addis, Principal Environmental and Energy Consulting  
ACTION p. 121  

9. Informational Items  
A. Update on the Status of SB 1383 Implementation and Compliance  
ACTION p. 145  
B. 2022/23 Finance and Rate Setting Calendar  
ACTION p. 147  
C. Check Register Detail April and May 2023  
ACTION p. 149  
D. 2023 Meeting Planning Guide  
ACTION p. 159  

10. Board Member Comments  

11. Adjourn to CLOSED SESSION  

12. Adjourn
EXECUTIVE DIRECTOR’S REPORT
STAFF REPORT

To: SBWMA Board Members  
From: Joe La Mariana, Executive Director  
Date: June 22, 2023 Board of Directors Meeting  
Subject: Executive Director’s Report

Staff and agency partners continue to be hard at work supporting a variety of projects, programs, and facility initiatives. Here are the highlights:

1. Contractor Updates:
   a. Recology San Mateo County (Recology)
      Recology submitted their annual compensation application for FY 2024 on June 15. Per agency protocol, staff will review the report and submit questions to Recology on June 30 and responses from Recology are due July 15. A final Member Agency comment period will occur in August prior to staff preparing these documents for Technical Advisory Committee (TAC) review on September 14th and final Board consideration on September 28th. As in the past, senior staff is, by invitation, available to provide technical expertise/support by joining Member Agency study sessions, committee discussions and council/BOS meetings on this topic.
   b. South Bay Recycling (SBR) Operations
      Unlike the past 14 years, SBR will not submit a FY 2024 contractor’s compensation application in July as there is a transition between contractors. Please note that the FY 2024 facility operations costs have already previously been finalized by the Board on November 17th, 2022.

2. Administration & Finance:
   a. Mid-Year Budget
      Staff has been hard at work on the 2023 Mid-Year Budget and are projecting anticipated tip fee increases in 2024. Early projections for the Transfer Station Tip Fee adjustments on January 1st, 2024 look significant. They are mostly due to the expected step-up in cost basis that will occur as the new facility operation adjusts to market conditions at that time. Key cost drivers include: an overall labor wage and benefits reset to market and the acquisition of an entire new vehicle fleet by the new contractor, South Bayside Industries (SBI). Public gate revenues were also down this spring, but staff believes that this was a one-time occurrence due to multiple Shoreway Road closures due to Silicon Valley Clean Water’s final phase of pipe replacement. After four long years, this project is finally complete and Shoreway Road is, once again, wide open for full traffic. Staff will provide final tip fee recommendations for Finance Committee and Board review and consideration in October, with action
to be taken at the November Board meeting. Approval of the Mid-Year budget adjustments is in today’s meeting as agenda item 5A.

3. Committee Updates:
   a. Finance Committee Meeting (June 13)
      The Finance Committee met to review and approve the agency's Mid-Year budget. The Committee also reviewed the proposal for property insurance coverage and convened a closed session on the agency’s future office space.

   b. Legislative Committee (June 5)
      The Legislative Committee met to discuss current legislation and statuses, including discussion about legislation to amend the Brown Act. The Committee also discussed the Little Hoover Commission’s report on SB 1383 implementation.

   c. Pub Ed/Outreach Committee (June 5)
      The Pub Ed and Outreach Committee met to receive updates from staff and discussed future outreach opportunities. The Committee also discussed the upcoming 2024-2026 Public Education and Outreach Plan which staff will send a draft to the Committee in early August. Staff also gave a summary of the responses received to the recent agency branding survey sent to Board, TAC, staff and contractors in May.

   d. Technical Advisory Committee (May 11)
      The TAC met to receive updates and discuss SB 1383 implementation and the upcoming 2022 Electronic Annual Reports (EAR) that are due August 1.

   e. Zero Waste Committee (no meeting held)

4. Collection and Recycling Program Support and Compliance:
   a. SB 1383 - Contamination Monitoring Route Reviews
      SB 1383 requires jurisdictions to conduct annual contamination monitoring of all three containers to keep the organics waste stream clean. RethinkWaste, with the help of SCS Engineers, will lead and conduct this review through lid flips of randomly selected containers on each collection route for landfill, recyclable materials, and organic materials for both residential and commercial routes in every Member Agency jurisdiction.

      RethinkWaste recognizes that there may be privacy concerns related to monitoring of containers and has identified a number of protocols to increase safety and trust in the community during contamination monitoring. This includes SCS Engineers team members wearing vests and name tags and carrying letters detailing the contamination monitoring efforts on behalf of the jurisdiction.

      RethinkWaste will formally contact designated Member Agency’s elected officials, city manager and key city staff, including law enforcement departments, ahead of contamination monitoring reviews and is providing template language about the efforts in bill inserts, newsletters, and social media.
b. Community Outreach and Environmental Education

i. Outreach Updates

In celebration of Earth Day, staff hosted its 12th annual Earth Day celebration in-person at the Shoreway Environmental Center on April 29. With facility tours, a community swap of clothing, books, and puzzles, and recognition of the 2023 Trash to Art winners, the event saw nearly 160 community members attend.

RethinkWaste’s bi-annual newsletter was mailed directly to residents in apartments and condominiums in the RethinkWaste service area reaching nearly 60,000 residents. The newsletter focused on tips to reduce waste, the Bulky Item Collection program, and general program information.

Staff updated and refreshed the Shoreway Environmental Center brochure, which includes information such as accepted items, compost giveaway, and hours and locations of the Public Recycling Center and the Transfer Station. Please reach out to Julia Au if you’d like a bundle for your staff or to have at your public offices.

In collaboration with a marketing contractor and Recology, staff is in the process of planning a service area-wide proper sorting campaign. Using the SB 1383 route reviews to inform the campaign, staff will use strategies such as digital advertising on streaming applications, bus ads, social media, and newsletter content to reach the public. Staff also plans on sending media kits to Member Agency staff to disseminate across their outreach channels.
ii. **School Green Teams Celebration**
To close out the 2022-2023 School Year, the Environmental Education team organized a Green Teams Celebration on May 25 to celebrate the hard work of local green teams and school environmental clubs. The team partnered with the San Mateo County Office of Education and San Mateo County Office of Sustainability. The celebration featured low-waste food, presentations by students, and earth-themed activities like learning about compost, poster-making, and building planters out of single-use plastic water bottles. Over 40 people attended the event and similar events will be planned for the future!

iii. **In-Schools Program Update**
In the last two months, the Environmental Education Team provided lunch bin monitoring support at Mariposa Elementary (San Carlos) and returned to Costaño Elementary School (East Palo Alto) to update their existing waste infrastructure paired with bin monitoring during lunches. The team also gave presentations at Crystal Springs Upland (Belmont) and Peninsula School (Menlo Park) about bin sorting and the negative effects of littering.

The team continues to celebrate the Trash to Art contest winners through class pizza parties and recognition at city council meetings. The Environmental Education team will be working with the San Mateo County Office of Education to support their Environmental Solutionary Fellowship program for teachers and educators this summer.

iv. **Shoreway Tours**
The tours program has remained active this spring! We hosted many schools, including Woodside High School, West Elementary School, and Costaño Elementary School, along with several schools outside of our service area and a homeschool group. In June, we hosted groups from Amazon and the San Jose Conservation Corps + Charter School for in-person business tours.

Additional in-person public tours will be offered during July on alternating Tuesdays and Thursdays to accommodate increased demand during the summer months. For specific details on these public tours visit: [https://rethinkwaste.org/shoreway-environmental-center/tours/in-person-public-tours/](https://rethinkwaste.org/shoreway-environmental-center/tours/in-person-public-tours/)

5. **Shoreway Operations, Capital Projects, and Contract Management**

a. **FEMA insurance application process update**
Due to the California severe winter storms, flooding, landslides, and mudslides that occurred between December 27, 2022 and January 31, 2023, the agency-owned Shoreway Environmental Center (SEC) sustained damage to multiple locations on the site due to extreme flooding, most notably to the Transfer Station tunnel and the Recology administration building located at 225 Shoreway Road.
These damages are eligible for assistance for emergency work and the repair or replacement of disaster-damaged facilities from the Federal Emergency Management Agency (FEMA) and the California Governor’s Office of Emergency Services (OES). Staff has attended weekly meetings with FEMA and OES and is in the process of applying for reimbursement of approximately $200,000, 75% of which will be covered by FEMA and 18 ¾% will be covered by OES. This means that the SBWMA is responsible for the remaining 6 ¼%, which will be approximately $12,000.

b. Capital Projects Updates

- **Underground Storage Tank (UST) RFP** - The RFP process was conducted over the month of May and proposals were due to the agency on June 5. There was one proposal received by CIC that is an affiliate of TecAccutite that has been providing inspection and maintenance services to the UST fueling system through Recology for over a decade. Staff believes that they have a familiarity with the current fuel system and the local regulators that are important to a successful project. Consideration of this proposal is included in the Board packet under Agenda item 7A.

- **Material Handler** - Staff has been researching the potential of utilizing a different system of loading the MRF materials into the sort system using a material handler rather than a wheel loader. The advantages include reduced fire risk, operating costs and reduced indoor air pollution. Staff is analyzing different equipment vendors and configurations.

- **Organics-to-Energy (O2E) System** – Anaergia service technicians were onsite in May to perform service to the O2E equipment and to ‘Mothball’ the system until the point it will be restarted.

- **MRF Automation** – Staff will begin informational meetings with MRF equipment vendors in June and July to learn more about the technologies and recommendations available for enhancing the existing sorting system.

Respectfully submitted,

Joe La Mariana
Executive Director
CONSENT CALENDAR
Call to Order: 3:02 PM

1. Call to Order/Roll Call

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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.

None

3. Executive Director’s Report

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

- There were two items in the packet that had updates. Agenda item 4C, the T3 contract that was attached to that staff report, now has a more complete scope of work and the revised contract is available as a handout today. Page 74 of the packet, the quarterly investment report, has the wrong date, it should be 12/31/2022.
- On Saturday, April 28 our staff will be hosting an Earth Day Event at Shoreway. The awards for the trash-to-art contest will be announced, and he invited Board Members and members of the community to join the event.
- The solar panels at Shoreway that are owned as part of a Power Purchase agreement need to be replaced, they are not as efficient as they were when first installed. That replacement project is currently happening at Shoreway, at no cost to the Agency.
- The SVCW piping project on Shoreway that has been going on for the last four years is now completed, there is a small completion project task remaining to repave and restripe part of Shoreway Road. That project is happening at the same time as the Earth Day event, so the roads will be down to one lane.
• The SBI transition continues, they are in discussion with JobTrain to take on the contract work that the VRS workers do currently, as the County is no longer interested in continuing that contract as of January.
• There is a piece of demonstration equipment that looks like a claw, currently being tested at the MRF that may replace the bulldozer, bucket method of moving recycled materials on to the conveyors. This would increase safety by not having bulldozers potentially drive over batteries on the floor and help the structural integrity of the floor last longer. If it does work, we will be asking SBI to include that in their equipment and operations list.
• On May 25th the Board Meeting will be the rescheduled retreat at Cañada College at 2PM.

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

A. Approval of the Minutes from the February 23, 2023, Board of Directors Meeting
B. Resolution Designating Agent to Act on Authority's Behalf For Applications for Public Assistance from the Federal Emergency Management Agency (FEMA) and the California Governor's Office of Emergency Services (Cal OES) Regarding Disaster and Emergency-Related Costs
C. Resolution Approving a Contract with T3 Engineering not to exceed $35,000 for MRF Phase II Equipment RFP Development
D. Resolution Approving One-Year Contract with up to Two Additional Option years for a Not-to-Exceed Total Contract Value of $120,000 with Ascent Environmental for Preparation of CalRecycle's Electronic Annual Reports for 10 SBWMA Member Agencies
E. Adopt Resolution Continuing the Declaration of a Local Emergency Related to the Severe Wind and Rainstorms that Commenced on December 31, 2022
F. Approval of Quarterly Investment Report for the Quarter Ended December 30, 2022

Motion/Second: Rak/Royse
Voice Vote: All in favor 7-0-0-4

5. Administration and Finance
A. Resolution Approving Updated Employee Policies and Benefits Plan

Executive Director La Mariana gave an overview of the staff report, noting there are two categories of amendments: changes in law, and a handful of policy changes.

Member Dehn asked if any holidays were deleted or was the Juneteenth holiday an additional holiday.

Executive Director La Mariana answered that the holiday has been added.

Member Royse asked if the changes caused any financial obligations to the Agency.

Executive Director La Mariana answered there are not material financial obligations associated with these changes.
Member Froomin noted that he would move approval with the addition of adding a due for review date to the document because 9 years was too long. He suggested 4 years as every 3-5 years is typical.

Motion/Second: Froomin/Dehn
Voice Vote: All in favor: 7-0-0-4

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B. Resolution Approving Appointments of one Board Member to the Legislative Committee, and one Board Member to the Public Education and Outreach Committee to fill 2023 Vacancies

The Board discussed this item at the end of the meeting after agenda item 8A after tabling it when Member Romero was present.

Executive Director La Mariana noted that there are two committees with vacancies - the Legislative Committee, and the Public Education and Outreach Committee. He noted that he has spoken with Warren Slocum and he has agreed to fill one open position on the Legislative Committee, but has not been successful in connecting with new Board Member Carlos Romero from East Palo Alto for the other open position. Once Carlos Romero was present the Board asked if he would be willing to serve on the Public Education and Outreach Committee.

Member Romero agreed to serve on the Public Education and Outreach Committee.

Motion/Second: Froomin/Romero
Voice Vote: All in favor: 7-0-0-4

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6. Collection and Recycling Program Support and Compliance
   A. Resolution Approving Recology’s proposed expanded SB 1383 support services and estimated costs to be integrated into 2024 Contractor’s Compensation Application Process submitted on June 15, 2023

Staff Carter gave background of the SB 1383 requirements, the work SCS Engineers has been doing in support of these requirements for the first two years of these regulations, and the details of the Recology proposal to fulfill these requirements beginning in 2024.

Executive Director La Mariana clarified that the 3 new positions would be on the Recology side and not the SBWMA side. Two of those positions previously existed in the Franchise Agreement, but were removed, and now with the SB 1383 requirements more hands are needed to complete the work need to meet the requirements. Staff asked HF&H consulting to complete some analysis of the proposal and compare it to similar agencies in the state, and staff feels comfortable moving forward with this proposal.
Member Dehn asked overall what responsibilities of SB 1383 fall on the JPA versus the hauler.

Executive Director La Mariana answered that the compliance responsibility to meet the SB 1383 requirements ultimately falls on each individual Member Agencies. Through the planning and work plan implementation process the JPA signed memorandums of understanding with all the Member Agencies to provide them with technical assistance, so each Member Agency didn’t have to hire their own SB 1383 staff, which is a very cost-effective outcome for the Member Agencies. The hauler needs additional resources to get the job done, that will keep the Member Agencies in compliance with SB 1383. He added that budget-wise with the addition of the three staff at Recology, it’s pretty comparable to the annual cost being paid currently to SCS Engineers.

Staff Carter added that the main requirements of SB 1383 fall on the Member Agencies and then get disbursed to the JPA or Recology, but there is a whole other side of the requirements that the Agency is responsible for because we own the facility, and that is around contamination monitoring.

Member Dehn asked if the JPA would be providing reports on how each Member Agency is doing regarding compliance with SB 1383.

Executive Director La Mariana answered yes, there are many reports that are tracking this information. Recology provides monthly reports, and reports with the annual compensation application.

TJ Carter answered that in addition to the contractor reports CalRecycle requires an Electronic Annual Report by each Member Agency that is an extremely detailed look at how the Member Agencies are doing with SB 1383 compliance. The JPA has hired a consultant to complete the reports on behalf of each of the Member Agencies.

Member Royse noted that this proposal has already been reviewed by the Finance Committee, and he believes the recommendation for the additional staff makes sense. But he wanted to know what the total additional cost would be when routes were added and going forward year after year.

Executive Director La Mariana noted that this recommendation is for an additional 3 non-operational staff positions, but the projection also includes adding 5 additional operational routes going forward to meet SB 1383 requirements. Each projected added route is estimated to be $432K annually, so if you extrapolate that out it would be about $2M3 routes have been added already. He clarified that this discussion is specifically to approve the three positions that do not have a method for being included in the compensation application process.

Member Royse asked if the JPA’s Member Agencies’ costs are comparable to other jurisdictions in San Mateo County.

Executive Director La Mariana answered that he didn’t know, but there is a rate survey each year included in the compensation application work and typically the Agency has been in the middle, and staff will continue to watch that rate survey as these SB 1383 costs become known.

Motion/Second: Royse/Froomin
Voice Vote: All in favor: 7-0-0-4
7. Shoreway Operations and Contract Management
   A. Renewal of License Agreement with Recology San Mateo County for Use of a Portion of SBWMA’s Shoreway Environmental Center Property; Finding of California Environmental Quality Act exemption pursuant to Guideline 15301

Executive Director La Mariana gave an overview of the staff report noting that is the agreement that allows Recology to operate on the Shoreway site, the current agreement expires June 30, 2023, and approval would extend that agreement through the term of the Recology Franchise Agreements December 31, 2035.

Board Member Romero now present 3:46PM

Board Member McCune now present 3:43PM

Motion/Second: Loraine/Rak
Voice Vote: All in favor: 9-0-0-2

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B. Resolution Approving Bid Documents for the Underground Fuel Storage Tank Removal and Replacement Project

Staff Gans gave an overview of staff report noting that as of 2025 the underground storage tanks at Shoreway will be non-compliant because of a change in regulations. Tanks across the entire state of California need to be double walled and the Shoreway tanks are single walled. He noted that staff is trying to get ahead of this work as everyone in the state tries to commence this same type of work to help the bid situation and hopefully reduce costs. He also noted that an engineer’s estimate just to remove the tanks was $2.5M and there will be additional work associated with completing the project. There is a reserve of $1.2M earmarked for this project, but it’s clear that the project will exceed that reserve amount so the remainder will come out of uncommitted reserves. This item will come back to the board two times, once to approve the contract and award the bid, and then again shortly after to approve the purchase of the tanks.

Member Froomin asked if there is an opportunity to retrofit the existing tanks so that they would meet regulations. Secondly, he asked if the purchase of the tanks is separate, or part of these construction documents.

Staff Gans answered no because it has to be under a vacuum so the tanks could be coated, but it’s not possible to create the space needed to create the vacuum. He also answered that he expected the purchase of the tanks to be a part of the contract, so that the liability for them stays with the contractor who installs them, and it would be part of the 20 year warranty the Agency is asking for with the contract.

Member McCune asked if replacing the tanks in the same location would constrain the layout of the site per the site optimization study options.

Staff Gans answered that the areas that have been identified in the site optimization study plan for construction are separate from the area where the tanks are so he didn’t think there would an impact.
Executive Director La Mariana noted that this item has been factored into the site optimization plans.

Member Romero asked if it was diesel fuel, and if the collection fleet would eventually be electrified making the tanks obsolete.

Staff Gans answered yes, the collection fleet would eventually be electrified, and staff has been working with Recology to figure this timing out. However, the current fleet needs to be replaced in the next 3 to 5 years, and collection vehicle EV technology isn't duty ready at this time, so that new fleet will be diesel. The next time collection vehicles will be replaced is 15 years from now.

Member Romero asked why the $1.2M replacement reserve wasn't enough to cover the whole project.

Staff Gans noted that the $1.2M is the result of settlement of a hazardous clean up between the previous contractor BFI and the Agency. The actual cleanup cost less than the settlement amount at the time, so the remainder has been held in reserves for this project.

Member Rak asked if there is a future plan to remove these new tanks once the fleet is fully electrified in 15 years or should more thought be put in to going through the lengthier process to put them above ground so they could be eliminated more easily when no longer needed. He also asked if all the tanks are needed due to the future fleet being EV.

Staff Gans answered that the site uses a million gallons of diesel fuel a year, so the quantity of tanks is necessary for the facility to function for the 15 years. Above ground tanks would have been the optimal solution, which is why staff looked at that first.

Member Rak commented that he thought it might save more money in the long term to go through the lengthy FAA process to move them above ground. And noted that he would feel more comfortable having the above ground cost estimates before approving this process.

Staff Gans noted that included in the contract will be the cost estimate for the future removal and closure of the tanks when they are no longer needed. He also noted that there probably wouldn't be a significant savings to working our way through the FAA process to move them above ground because the hole already exists so there isn't a lot of earth moving.

Member Froomin asked with the above ground is there an impression that the FAA would not approve it, or was it the FAA process that was the hold up. He also commented that with regard to the Site Optimization study moving the tanks above ground would take up space on a site already space constrained.

Staff Gans answered both, our tanks are three times what their minimum is for above ground, so both process are likely not being approved.

Chair Aguirre asked if the $2.5M estimate for was one tank.

Staff Gans answered the engineer's estimate was for all three tanks, but now it's' looking like that will be a low number, it's likely to be more than that.

Member Royse asked how long the completion process will take, and when does the regulation go into effect, and is there a savings by doing this now.

Staff Gans answered that it has to be completed by January 1, 2025, the construction itself is likely pretty quick, but the tank ordering and arrival and permitting could each take up to six months. And yes, given how many
tanks need to be replaced in California, doing us now gets us into the queue earlier and gives us the most opportunity for savings.

Executive Director La Mariana noted that staff is working with Recology to electrify any vehicles that can be in the near term. There are categories of vehicles that are ripe for electrification, like the route supervisor pickup trucks. But there are challenges as far as the site optimization study goes is trying to look at where the fleet might project. Currently the EV collection vehicles cost twice as much as a current vehicle and can carry less tons than the current vehicle and they don’t last for a full eight-hour shift. So instead of 150 trucks you need 300 trucks to do the same amount of work, and no one is going to recommend that. There are also going to be supply chain issues with truck replacement.

Member Taylor asked if there a potential for receiving grant funding for those categories of vehicles that will be converted to EV in the near term.

Executive Director La Mariana answered that staff will be working with both PG&E and PCE on grant funding.

Member Loraine asked if green hydrogen has been looked into as an option for the collection fleet given the challenges with converting to EV.

Executive Director La Mariana the focus has been EV, but if that technology comes into the collection vehicle space, staff would be happy to bring that to the Zero Waste Committee for discussion.

Member Romero commented that 1 million gallons of diesel a year produces 22 million gallons of CO2. So the Agency may well be in a position where in six, to eight years, because of the damage that the collection vehicles are doing, these will be sunk costs.

Staff Gans added the process of looking at fuel and trucks has been frustrating, because everyone wants a solution. And, even if the trucks were available PG&E would have to run an enormous amount of power to the facility which is a slow process. So, it will be a long a slow process to make this conversion.

Executive Director La Mariana reminded the Board that the Agency doesn’t own these assets the contracting partners do. There is a lot of passion on this topic from our Board and staff to look for options. Staff is striving to find the sweet spot between cost effectiveness and technology and environmental benefits that would allow us to tell a political story to move this technology forward.

Motion/Second: Froomin/Royse
Voice Vote: All in favor: 9-0-0-2

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C. Resolution Approving Final Emergency Expenditures related to flood damage at the Shoreway Environmental Center

Staff Gans gave an overview of the work that has been completed due to the declaration of emergency after the storms on New Year’s Day weekend that damaged the facility and specifically the Recology Administrative Offices building. He noted that the total cost for repairs is $181,000 which is small in comparison to the half a
million gallons of water that was removed to get the tunnels operable. The repairs are complete, just waiting on some cubicles and office furniture to be delivered. Staff is seeking FEMA payment, and it looks like all but $11,000 of the $181,000 could be covered by FEMA and CAOES.

Member Froomin commented that the staff report addressed the availability of additional pumps to help with tunnel flooding in the future but related to the building is there any chance the road could be paved to drain away from the building.

Staff Gans noted that this storm overwhelmed the water collection and storm systems that are in place there were subsequent storms this winter and the water never approached that level again, so it's unknown weather this storm was an anomaly or not.

Motion/Second: Froomin/Loraine
Voice Vote: All in favor: 9-0-0-2

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8. Public Education Outreach and Legislation
   A. Presentation of the 2022 RethinkWaste Annual Report

Staff Au gave an overview and highlights of the 2022 RethinkWaste Annual Report.

Member Royse asked how accessible this report is to the public.

Staff Au answered that it is on the website and a few printed copies will be made available, but staff doesn't want to waste paper.

Member Froomin recommended sending the Annual Report to the Member Agencies so that it can be linked on their websites and social media accounts as well as RethinkWaste’s website.

Members Froomin and Rak congratulated staff on the well drafted and well laid out report.

9. Informational Items Only (no action required)
   A. 2023 Legislative and Regulatory Update
   B. Update on the Status of SB 1383 Implementation and Compliance
   C. 2022/23 Finance and Rate Setting Calendar
   D. Check Register Detail February – March 2023
   E. SBWMA Contracts Issued Q1 2023
   F. 2023 Meeting Planning Guide

10. Board Member Comments

Vice Chair Rak would like to have a future meeting agenda item on SB 1383 and promoting composting in public parks.
Member McCune encouraged continued support in Sacramento to adjust public meetings to allow for more accessible participation virtually.

Member Froomin asked for report information from the SB 1383 Route Audits around commonly missed items so Member Agencies and the JPA can learn how to focus outreach.

Staff Au noted that based on information from the route reviews staff is rolling out a proper sorting campaign later this year.

11. Adjourn to Closed Session 4:33PM

   A. Pursuant to Government Code (§ 54956.8): Real Property Negotiations 1245 San Carlos Ave. Suite E, San Carlos, CA 94070 Agency Representatives Executive Director Joe La Mariana and Legal Counsel Jean B. Savaree

12. Adjourn 5:13PM
STAFF REPORT

To: SBWMA Board Members
From: John Mangini, Senior Finance Manager
Date: June 22, 2023 Board of Directors Meeting
Subject: Resolution Accepting the Findings from the Annual Operational and Financial Systems Audit for 2022

Recommendation
It is recommended that the SBWMA Board approve resolution 2023-24 attached accepting the findings from the audit of Recology’s and SBR’s SBR’s 2022 financial and operational systems by RRS Consultants.

Summary
The Franchise Agreement with Recology and the Operating Agreement with SBR prescribe standards for reporting and operating system performance. Under contract to the SBWMA, RRS Consultants performed the annual independent review of the contractor’s operational and financial reports for 2022. Overall, the review found that both contractors are in substantial compliance with requirements of the Agreements and no adjustments were recommended by RRS Consulting.

Analysis
The information collected and reported to the SBWMA by the contractors is substantially self-reported (e.g., all Shoreway tonnage data, collection route data, and call center performance). To ensure the integrity of this reported data and payments, the SBWMA conducts an annual third-party (independent) review to verify that SBR and Recology obtained, compiled, and reported data to the SBWMA and Member Agencies accurately and that the companies have proper management controls in place. The audit consists of two parts: a financial systems audit and an audit of quarterly and annual operational reports. The financial systems audit includes a review of reports with a direct financial impact such as Recology’s Revenue Reconciliation ($122,324,019) and SBR’s payment to the SBWMA for net commodity revenue and public tip fee revenue.

In March 2023, RRS Consulting commenced the annual review for 2022 and concluded their activities by issuing a final findings and recommendations report that was issued in June 2023. RRS identified several areas where both Recology and SBR were found to be substantially compliant with the operational and reporting requirements of the Facility Operating Agreement and Franchise Agreements for CY 2022.

The single most important review step of this audit was to verify the data in Recology’s 2022 Revenue Reconciliation in total and by Member Agency. The following financial stats have now been verified:

1. Gross revenue billed of $122,324,019
2. Disposal fees paid to the SBWMA of $34,876,901
3. Franchise and other Fees paid to Member Agencies of $17,121,796
4. The net surplus/shortfall balance for each agency ranging from $1,498,489 to <$96,240>

No discrepancies were found.
Summary “Findings” for each contractor are shown in Table 1 & Table 2 below and a Summary Report is provided in Attachment A.

**Recology Audit:**

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<tr>
<td>1 Reports</td>
<td>- The Quarterly &amp; Annual Reports were complete &amp; compliant</td>
<td>None</td>
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<tr>
<td>2 Tonnage Data</td>
<td>- Accurate &amp; compliant</td>
<td>None</td>
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<td>3 Customer Service</td>
<td>- No inconsistencies were found between source data and reports.</td>
<td>None</td>
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<td>- No incorrectly coded tickets were found.</td>
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<td>4 Liquidated Damages &amp;</td>
<td>- Recology self-reported and paid LD amounting to $117,025.</td>
<td>None</td>
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<td>Incentive/ disincentive</td>
<td>- Recology self-reported incentive payments due to Recology amounting to</td>
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<td>$88,242. RRS has confirmed the calculations are accurate.</td>
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<td>5 Tonnage Data</td>
<td>- Very minor variances between SBR &amp; Recology inbound tonnage were found.</td>
<td>None</td>
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The review by RRS focused on validating the information provided by Recology in the company’s Annual Report for 2022 issued to the Member Agencies on February 15, 2023. The review focused on:
- Verify tons collected.
- Verify customer service data.
- Verify calculation of liquidated damages and performance incentive/disincentive payments.

**South Bay Recycling (SBR) Audit:**

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<td>- The Quarterly &amp; Annual Reports were compliant.</td>
<td>None</td>
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<td>- Very minor variances between SBR &amp; Recology inbound tonnage were found.</td>
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<td>3 Liquidated Damages</td>
<td>- No LD were reported or paid by SBR.</td>
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Since the tonnage, material category, and tip fee payment information recorded at the scales by SBR serves as the “base-data” for the entire SBWMA waste handling function as well as the basis for all of the financial transactions relating to Shoreway facility operations, it is critical that the information be accurately collected, recorded, and reported by SBR. While the SBWMA staff reviews the tonnage information reported by SBR on a monthly basis, the review conducted by RRS serves as an important third-party check on SBR’s data and data management. The scope of the annual operational audit includes the following components:
- Verify SBR’s reported data is consistent with Recology’s reports
- Verify accuracy of SBR’s reported in-bound and shipped tonnage data

Based on the RRS review of SBR operations and reports, only very minor errors were identified in SBR’s reporting and tonnage. SBR was not assessed any liquidated damages in 2022.
**Background**
The Collection Services Franchise Agreements with Recology and the Facility Operations Agreement with SBR prescribe standards for reporting and operating performance. The information contained in the contractor’s reports is substantially self-reported by both companies e.g., all tonnage data from the Shoreway scales and the collection route and call center performance data as well as the collection Liquidated Damage events identified in Attachment J of the Franchise Agreements. To ensure the integrity of the data reported by Recology and SBR, the SBWMA conducts a third-party (independent) audit of the data managed and reported by both companies (the audit included assessing Recology’s call center functions to ensure the accuracy of transcribing and reporting information, complaints and requests for service from customers. This year's audit was conducted by RRS Consulting which is a nationally renowned solid waste planning firm based in Michigan. RRS Consulting was selected for this assignment through a public procurement conducted by Staff in early 2022.

The scope of auditing SBR's operations was limited to the scale house operations (i.e., tonnage reporting) and reporting of commodity revenues. The auditing work reveals how well both Recology and SBR obtained, compiled and reported data to the Member Agencies per the requirements prescribed in the Franchise Agreement(s) and Shoreway Facility Operations Agreement, respectively.

**Fiscal Impact**
The cost for RRS to conduct this independent audit was $43,913 and is included in the adopted FY2023 Budget on line 31 of the Expenditures worksheet.

**Attachments:**
- Resolution 2023-24
- Exhibit A – RRS Final Report Summary: Collection Services (Recology) and Facility Operations (SBR) Systems and Financial Audit for 2022
- Attachment A: [Full RRS Consulting 2022 Audit Final Report - available online only at www.rethinkwaste.org](http://www.rethinkwaste.org)
RESOLUTION NO. 2023-24
RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ACCEPTING THE FINDINGS FROM THE AUDIT REPORT OF THE CONTRACTOR’S 2022 FINANCIAL AND OPERATIONAL REPORTING BY RRS CONSULTANTS

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors entered into a contract with RRS Consulting Group for the purpose of providing a Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems Auditing for 2022 and a Financial Systems Auditing for 2022, and

WHEREAS, the RRS Consulting Group has completed the audit work and submitted their report for review, and

WHEREAS, attached as Exhibit A hereto is the RRS audit report summary.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority accepts the findings from the audit report of the contractor’s financial and operational reporting in 2022 by RRS Consultants.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of June 2023, by the following vote:

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I HEREBY CERTIFY that the foregoing Resolution No. 2023-24 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.

ATTEST: Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board
RECOLOGY SAN MATEO COUNTY (RSMC) AND SOUTH BAY RECYCLING (SBR) ANNUAL REPORT AND FINANCIAL SYSTEMS AUDIT

Final Report

Submitted electronically on June 12, 2023

PREPARED BY: RRS recycle.com

COMMISSIONED BY: Rethink waste
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EXECUTIVE SUMMARY

RRS has been contracted by South Bay Waste Management Authority (SBWMA / RethinkWaste) to provide annual report and financial system audit of the SBWMA’s collection services contractor and facility operations contractor. For the Operations Audit, RRS reviewed, tested, and verified the accuracy of the information contained in Recology San Mateo County (RSMC) Annual Report as well as South Bay Recycling, LLC (SBR) Annual Report as well as SBR’s annual tonnage and commodity revenue report, and provide any recommendations for improvement. For the Financial Systems Audit, RRS verified the mathematical accuracy, consistency in reporting, and back-up documentation for information contained in RSMC’s annual Revenue Reconciliation, and the accuracy of SBR’s financial systems for tracking, calculating, and reporting payments due to or from SBWMA.

The work constituted a review of Recology’s and SBR’s financial systems and the accuracy of the financial reports Recology and SBR provide to SBWMA. It did not audit financial statements, nor did it represent a complete review of finance and accounting systems. The purpose of the audit was to independently verify the mathematical accuracy of financial information provided by Recology and SBR in keeping with solid waste industry operational standards, and general compliance with agreements SBWMA has with both entities.

Background

The SBWMA is a joint powers authority of eleven Member Agencies (Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, the County of San Mateo, and the West Bay Sanitary District) in San Mateo County.

For the Operations Audit, RRS was contracted to review, test and verify the accuracy of the information contained in the Recology San Mateo County (RSMC) Annual Report as well as South Bay Recycling, LLC (SBR) annual tonnage and commodity revenue report and provide any recommendations for improvement. RRS is contracted to verify the mathematical accuracy, consistency in reporting, and back-up documentation for information contained in RSMC’s annual Revenue Reconciliation, and the accuracy of SBR’s financial systems for tracking, calculating, and reporting payments due to or from SBWMA. The Financial Systems Audit is designed to confirm the accuracy of financial information provided by Recology and SBR as well as the accuracy of each Member Agency’s revenue surplus/shortfall for its franchised services and that SBR accurately tracks and remits revenues and payments to/from SBWMA.

The work consists of a review of Recology’s and SBR’s financial systems and the accuracy of the financial reports Recology and SBR provide to SBWMA and is not an audit financial statements, nor will it represent a complete review of finance and accounting systems. The audit does not need to assess conformance with standard accounting practices (including generally accepted accounting principles, GAAP), but it does need to independently verify the mathematical accuracy of financial information provided by Recology and SBR in keeping with solid waste industry operational standards, and general compliance with agreements SBWMA has with both entities.
Annual Report Audit

Reporting requirements are specified in Article 9 (Record Keeping and Reporting) of Recology’s franchise agreements and Article 9 (Contractor Records/Reports) of SBR’s operating agreement.

The RRS Scope of Work includes:

- Confirming quarterly and annual reports submitted by the contractors contain complete information (broken down by month) for each of the reporting categories required in accordance with Article 9.06 of the Recology Franchise Agreement(s) and Article 9.5 of the SBR Operating Agreement; and
- Verifying the mathematical accuracy of the calculations contained in the reports;
- Verifying the accuracy of quarterly tonnage data reported by Recology for 2022. Recology’s quarterly tonnage data is based on Monthly Tonnage Reports that allocate franchised tonnages among each of the member agencies for the following categories:
  - Commercial,
  - Multi-Family Dwelling (MFD),
  - Roll-Off, and
  - Residential.
- Verifying accuracy of tonnage allocation for each Member Agency – monthly, quarterly and annual totals
- Verifying the accuracy of customer service data reported by Recology for 2022. In Section D of their quarterly and annual reports,
- Verifying the accuracy of Recology’s calculated liquidated damages, incentive and disincentive payments and that liquidated damages, incentive, and disincentive payments have been properly calculated and tie to the events reported,
- Verifying SBR’s reported data (from franchised services) is consistent with Recology’s reports,
- Verifying all other SBR tonnage is also accurate,
- Verifying liquidated damages payments have been properly calculated in accordance with the Operating Agreement and tie to the reported events,
- Verifying and explaining SBR’s procedures to identify and report events which would trigger liquidated damages.

Financial Systems Audit

The RRS Scope of Work includes an audit of Recology’s annual Revenue Reconciliation for 2022, submitted in accordance with Section 11.03 and Attachment K of Recology’s Franchise Agreement for Collection Services with San Mateo County. This audit will include:

- Determining if Recology has accurately calculated each Member Agency’s revenue surplus/shortfall for its franchised services;
- Confirming that Recology’s billings are consistent with the approved rate schedules and that reported revenues tie to accounting records;
- Verifying net revenue calculations and adjustments;
- Verifying that Contractor’s Compensation ties to each Member Agency’s approved compensation; and
Confirming that the amount of Attachment Q revenue reported as billed by Member Agency ties to the records for each different type of charge.

The RRS Scope of Work includes a financial audit of South Bay Recycling (SBR), RethinkWaste’s Facility Operations Contractor. This audit will include:

- Determining how 2022 public revenues, commodity revenues, and weight ticket information (including route number and material types) are recorded using SBR’s “PC Scales” tracking system, and
- Verifying the mathematical accuracy and logical consistency of the company’s reported values.
- Verifying Public Self-Haul Revenue
- Verifying Commodity Revenue
- Verifying Scale House Operations

Summary of Findings

1. RRS review and verification of the data and information presented in the RSMC Annual Report Audit found no significant discrepancies that require any adjustments to the report. The report was complete and fulfilled all the reporting requirements of the Franchise Agreements.

2. RRS was then able to verify that the tonnages from splitting the route tannages and aggregating by Franchise Agency were correct and accurate and correspond to the data provided in the annual report.

3. RRS verified the accuracy of customer service data reported by Recology for 2022 and is currently validating a small subset of data with RSMC.

4. RRS was able to verify that the liquidated damages from the RSMC annual report for are accurate.

5. RRS verified that RSMC’s annual report accurately shows a cumulative disincentive payment of $117,025 based on the stipulated procedures for calculating diversion level in the Franchise Agreements and disincentives for missed pick-ups, speed of call pickup and call hold time.

Recology Financial Systems Audit

6. RRS verified revenues from residential and commercial customers reported in the Reconciliation to Recology’s system-generated GL report which details revenues for each Member Agency. RRS reviewed and validated adjustments that affect calculations of Gross Billed Revenue in the Reconciliation.

7. RRS verified the calculation of net revenue retained by Recology in total and by Member Agency and verified the calculations are accurate based on Recology’s explanations and supporting documentation.

8. RRS reviewed and validated adjustments that affect calculations of Gross Billed Revenue in the Reconciliation.
9. The calculation of net revenue retained by Recology were verified in total and by Member Agency. No mathematical errors in Recology’s calculation of net revenue were identified.

10. Recology’s net compensation figures listed by Member Agency in the 2022 Reconciliation were verified for all Agencies and directly tie to the approved compensation set by SBWMA for reviewed Member Agencies.

11. The fees and values for unscheduled and intermittent services listed in Attachment Q in the Reconciliation were correct and verified as accurate.

12. The revenues for backyard service included in gross revenues billed for each Member Agency but are deducted from the gross revenues as additional services when Recology calculates the Approved Contractor’s Compensation and were verified and are accurate.

Annual Report Audit of SBR

13. RRS verified that the inbound MSW reported by SBR was equal to the RSMC data after deducting the weight of the batteries that were reported.

14. RRS verified that the SBR reported tonnage and the RSMC reported tonnage were equal.

15. RRS verified the yearly tonnage totals for outbound materials and commodities to PC Scales tonnage reports provided by SBR and verified the monthly tons for one sample month (June) to the PC Scales reports provided by SBR.

16. SBR’s 2022 Liquidated Damages Report included no reported instance of service issues that would trigger the payment of Liquidated Damages.

SBR Financial Systems Audit

17. SBR’s “Customer/Material” PC Scales reports for “Third Party Customers Only” were compared with SBR’s monthly remittance statement to SBWMA to verify the accuracy of 2022 self-haul revenue transferred to SBWMA were verified.

18. RRS verified that the gross 2022 commodity revenue as reported on SBR’s 2022 December monthly report ties to accounting records.

19. SBR did not make any Buyback Center payments in 2022 due to the closure of the Buyback Center. SBR correctly reported CRV payments, which tie back to CalRecycle data. No adjustments are necessary.
Conclusion

Overall, RRS verified the information submitted in the RSMC and the SBR Annual and Financial Reports and did not discover any discrepancies that would require any changes to the Annual and Financial Reports.

Recommendations

1. There are several supporting documents that are necessary for the review for both the RSMC and the SBR Annual Reports and Financial Audit that should be included with the Annual report submission.
2. RRS recommends that a random annual (or semi-annual) route audit be conducted to verify the split table allocation for tonnage on routes that service multiple Member Agency collection routes.
ANNUAL REPORT OF RECOLOGY REVIEW

Completeness of Recology’s Annual Report

The objectives of this task were to determine if the Quarterly and Annual Reports submitted by Recology are:

1. Complete and contain the reporting requirements specified in Article 9.06 (Quarterly Reports) and 9.07 (Annual Reports) of Recology’s franchise agreements; and
2. Mathematically accurate and logically consistent (that the columns and rows add correctly and tie to supporting schedules within the report).

RRS compared the contents of Recology’s Annual report to the requirements of Section 9.07 (Annual Reports) of Recology’s franchise agreement.

Appendix A includes the findings of the review of Recology’s 2022 Annual Report. The report satisfies the reporting requirements of Article 9.07 with the exception of the following requirements that were not included:

1. Equipment Inventory (Section 9.07.A.5); and
2. Customer Account Information (Section 9.07.B)

These items were identified as part of the prior years’ reviews. Recology has stated that these items are provided as a source file to SBWMA, which was agreed upon at the onset of the contract.

Review of Tonnage Allocations

For Single-Family, Multi-Family, Commercial, and Agency tonnages Recology allocates tons to each Agency based on the available volume (e.g., cart gallons, dumpster cubic yards, etc.) of each Agency on each route. This allocation is further split by material type (MSW, Recycling, Organics) based on route coding. This results in an allocation that is to the agency, service sector, and material type level. Recology’s internal database, which contains customer information (address, container type, etc.), generates split tables for each route so that the total tonnage for that route is properly allocated as described above. RRS task was to verify that the tonnage information accurately flows from the weight scales through the split table allocation and into the annual report. This is accomplished by tying the route weight ticket spit to the corresponding spit table and then confirming that the aggregated tonnages from this exercise match the tonnages in the annual report.

The Split Tables are developed using the following process. The tonnage of each load is allocated to the Member Agencies based on subscribed volume, by route, by day. The split table percentages are calculated by the volume of the container, in gallons, multiplied by the number of containers in service. The total gallons are summed by Agency for that route and divided by the total gallons for that route to determine the allocated percentage to each Agency. The percentages are calculated and applied to each load, in the automated system. The split table percentages are updated quarterly for usual and customary service changes and for substantive route changes as they occur.
Drop Box, Venues and Events, Abandoned Waste, and On-Call events are all directly allocated to each Agency. RRS confirmed that this done accurately and aligns with the annual report.

RRS selected the month of June 2022 and requested all the split tables for that month. RRS was able to verify that the weight tickets were split according to the provided split tables. Direct verification of the customer data that fed into each split table was not performed but RRS has confidence in the Recology procedure and considers the split tables provided to be accurate. RRS was then able to verify that the resulting tonnages from splitting the route tannages and aggregating, correctly correspond to the data provided in the annual report.

**Review of Reported Customer Service Data**

To facilitate accuracy and align reporting methodologies, Recology provided a detailed pre-audit report data export for June and October with information related to nearly every reportable category, facilitating a complete review and agreement with Recology’s reported statistics a included separate tabulation of the non-Liquidated Damages-related customer service data. Some customer calls are indeed customer complaints, but if the customer is determined to be at fault or the claim is inaccurate, Recology does not report the customer complaint. RRS reviewed the categorization of each reportable category against Recology’s reporting categories and agreed with Recology’s methodology.

RRS verified the accuracy of customer service data reported by Recology for 2022. In Section D of their quarterly and annual reports, Recology reports customer service data (i.e., “Inquiry, Service Request and Complaint Data”) in the following categories:

- Single Family Initial Missed Pick-Up;
- Complaints;
- Single-Family Missed Pick-Up;
- Collection Events;
- Excessive Noise;
- Discourteous Behavior;
- Property Damage;
- Spills;
- On-Call Bulky Item Collection;
- Extra/Overage Requests;
- Recycling Tote-Bag Requests;
- Information Requests; and
- Billing Concerns.

For the items above with no associated Liquidated Damages or Performance Incentives and Disincentives, RRS tested two months of data for each Member Agency (June and October) to verify that the reported number of “occurrences” ties to the supporting documents.
Review of Reported CSR Statistics

On a quarterly and annual basis, Recology reports customer service representatives (CSR) statistics which are based on data generated by Recology’s Shoretel phone system. Statistics generated by the phone system include:

- Number of calls received;
- Number of calls answered;
- Number of calls answered within 15, 30, 45, 60, and 90 seconds; and
- Cumulative wait time before answered. (The average wait/hold time (i.e., average speed of answer) is calculated based on the cumulative wait time and the total number of calls answered.)

The phone statistics for each month are inputted into “Call Center Data and Quality Assurance Calls Made” of the Quarterly and Annual Reports and are also used for the Incentive/Disincentive forms for “Ninety Second Hold Time” and “Average Speed of Answer.” Recology also reports the total number of quality assurance calls made during each month. RRS verified that the phone statistics provided in Recology’s 2022 Annual Report matched the phone statistics for June and October of 2022.

Review of CSR Coding Calls

To test the accuracy of CSR’s coding calls, RRS randomly sampled CSR tickets from June and October 2022. Of these tickets, 0.9% were originally identified as a ticket error and 0.3% were duplicate tickets. RSMC reviews these tickets and identified and corrected all the miscoded entries. Liquidated damages are triggered only if the number of miscoded complaints exceeds the allowed threshold in the contract. No adjustments are necessary.

Review of Liquidated Damages

Attachment J (Liquidated Damages) of Recology’s franchise agreement lists the events that constitute breaches of the agreement’s standard of performance warranting the imposition of liquidated damages; the acceptable performance level; the definition of the complaint, incident or event; the method by which occurrences will be principally tracked; and the number of liquidated damages for failure to meet the contractually required standard of performance. Recology is required to maintain records of customer complaints which show for each complaint: date and time received; name, address and telephone number of the caller; nature of complaint (e.g., missed pick-up, excessive noise, property damage, etc.); name of employee receiving complaint; action taken by Recology to respond to complaint; and date complaint was resolved.

Recology is to submit to the Member Agencies a Liquidated Damages report with its Quarterly Report that summarizes the number of complaints in each category and computes the amount (if any) of liquidated damages accrued by month during the preceding quarter.

Recology tracks and reports “occurrences” related to the franchise agreement’s specified Liquidated Damage items, and Liquidated Damage payments are assessed on any occurrences in excess of the occurrence limits specified by the franchise agreement. Many of the Liquidated Damage items are
STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: June 22, 2023 Board of Directors Meeting
Subject: Resolution Approving Annual Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for a three-and-one-half year period ending on December 31, 2026

Recommendation
It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-25 attached hereto authorizing the Executive Director to execute a contract with Aaronson, Dickerson, Cohn & Lanzone (ADCL) to provide Legal Counsel services for a three-and one-half year period beginning on July 1, 2023 and ending on December 31, 2026.

If approved, the contract for legal services between SBWMA and ADCL would be renewed for three and one-half (3.5) additional years. The budget for the second and third year of the contract will be established by the Board during its annual budget approval process.

Background
The contract with ADCL provides that the firm will:

- Act as general counsel to the Board and staff of the SBWMA;
- Regularly attend Board and TAC meetings;
- Prepare and review ordinances, resolutions, contracts, notices, agendas and other documents and papers necessary or appropriate in matters pertaining to the SBWMA;
- Provide legal advice, representation and assistance to the SBWMA, its Board and staff on all general legal matters pertaining to the SBWMA, including litigation and compliance with state and local laws.

The contract currently calls for Jean B. Savaree to act as the SBWMA’s General Counsel, with Joan Borger providing backup coverage as the SBWMA’s Deputy General Counsel in Ms. Savaree’s absence. The current hourly billing rate for ADCL is $297.00 per hour. There is no proposal to increase that rate in year one of the new contract.

Fiscal Impact
There has been a sharp upwards trend in the agency’s need for legal service support in the last three years due to many large-scale agency projects, including:

- Operating Agreement—RFP/negotiations/contractor transition
- Site Licensing renewal/negotiations
- Expanded operational contractual support by Staff and with critical Recology and SBR to maintain SB 1383 compliance technical support
- Site Optimization study/future site planning
- RethinkWaste Office relocation support
- Expanded Committee support—New Legislative Committee and supported expanded alternative committee activities.

The total ADCL billing for the last 3 years is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2019/2020</td>
<td>$153,026</td>
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<tr>
<td>2020/2021</td>
<td>$156,239</td>
</tr>
<tr>
<td>2021/2022</td>
<td>$135,153</td>
</tr>
</tbody>
</table>

The current hourly billing rate for ADCL is $297.00. This hourly rate is inline with the median hourly rate of $295.00 for contract public agency attorneys on the Peninsula. The top quartile is $309 per hour. If approved, the three-year contract would provide for no increase in the first year of the contract, followed by an annual increase in the second and third year of the contract by an amount equal to the Consumer Price Index (All Urban Consumers) issued by the Bureau of Labor Statistics of the United Stated Department of Labor for the San Francisco - Oakland - San Jose, California area.

ADCL will continue to provide all secretarial and paralegal assistance necessary to delivery said legal services. These services provided by ADCL are not separately billed to SBWMA. Finally, all costs associated with the maintenance of ADCL's office are covered by the hourly billing rate including a computer system, which has WestlawNext research capability, and a law library.

Attachments:

A. Resolution 2023-25
   Exhibit A - DRAFT Professional Service Agreement with Aaronson Dickerson Cohn and Lanzone for Legal Counsel Services
RESOLUTION NO. 2023-25

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH AARONSON, DICKERSON, COHN & LANZONE FOR LEGAL COUNSEL SERVICES FOR A THREE AND ONE-HALF YEAR PERIOD ENDING ON DECEMBER 31, 2026

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Aaronson, Dickerson, Cohn & Lanzone (ADCL) for the purpose of providing the following services:

Legal Counsel Services for from July 1, 2023 through December 31, 2026

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Executive Director to execute a contract with ADCL, 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 22nd day of June 2023, by the following vote:

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<tr>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont</td>
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<td>Redwood City</td>
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<td>Burlingame</td>
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<td>San Carlos</td>
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<td>East Palo Alto</td>
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<td>San Mateo</td>
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<tr>
<td>Foster City</td>
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<td>County of San Mateo</td>
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<td>Hillsborough</td>
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<td>West Bay Sanitary Dist</td>
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<td>Menlo Park</td>
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I HEREBY CERTIFY that the foregoing Resolution No. 2023-25 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.

ATTEST: Alicia Aguirre, Chairperson of SBWMA

__________________________________
Cyndi Urman, Clerk of the Board
PROFESSIONAL SERVICES AGREEMENT
FOR
LEGAL COUNSEL SERVICES FOR FY’S 2024-2026

This Agreement is made and entered into as of the 1st day of July, 2023 by and between the SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY hereinafter called "AUTHORITY" and AARONSON, DICKERSON, COHN & LANZONE hereinafter called "CONSULTANT".

RECITALS

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

A. That AUTHORITY desires to engage CONSULTANT to provide professional services;

B. That CONSULTANT is qualified to provide such services to the AUTHORITY and;

C. That the AUTHORITY has elected to engage the services of CONSULTANT upon the terms and conditions as hereinafter set forth.

1. Services. The services to be performed by CONSULTANT under this Agreement shall include those services set forth in Exhibit A, which is, by this reference, incorporated herein and made a part hereof as though it were fully set forth herein.

   Performance of the work specified in said Exhibit A is hereby made an obligation of CONSULTANT under this Agreement, subject to any changes that may be made subsequently hereto upon the mutual written agreement of the said parties.

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

2. Term; Termination.
   (a) The term of this Agreement shall commence upon the date hereinabove written and shall continue until December 31, 2026.

   (b) Notwithstanding the provisions of (a) above, either party may terminate this Agreement without cause by giving written notice not less than ten (10) days prior to the effective date of termination, which date shall be
included in said notice. In the event of such termination, AUTHORITY shall compensate CONSULTANT for services rendered, and reimburse CONSULTANT for costs and expenses incurred, to the date of termination, calculated in accordance with the provisions of paragraph 3. In ascertaining the services actually rendered to the date of termination, consideration shall be given both to completed work and work in process of completion. Nothing herein contained shall be deemed a limitation upon the right of AUTHORITY to terminate this Agreement for cause, or otherwise to exercise such rights or pursue such remedies as may accrue to AUTHORITY hereunder.

3. **Compensation; Expenses; Payment.** AUTHORITY shall compensate CONSULTANT for all services performed by CONSULTANT hereunder in an amount based upon CONSULTANT’s hourly rates during the time of the performance of said services. A copy of CONSULTANT’s hourly rates for which services hereunder shall be performed are set forth in CONSULTANT’s fee schedule included in Exhibit A, attached hereto and by this reference incorporated herein.

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

4. **Records.** CONSULTANT shall keep and maintain accurate records of all time expended and costs and expenses incurred relating to services to be performed by CONSULTANT hereunder. Said records shall be available to AUTHORITY for review and copying during regular business hours at CONSULTANT’s place of business or as otherwise agreed upon by the parties.

5. **Authorization.** This Agreement becomes effective when endorsed by both parties in the space provided below.

6. **Reliance on Professional Skill of CONSULTANT.** CONSULTANT represents that it has the necessary professional skills to perform the services required and the AUTHORITY shall rely on such skills of the CONSULTANT to do and perform the work. In performing services hereunder CONSULTANT shall adhere to the standards generally prevailing for the performance of expert consulting services similar to those to be performed by CONSULTANT hereunder.

7. **Relationship of Parties.** It is understood that the relationship of CONSULTANT to the AUTHORITY is that of an independent contractor and all persons working for or under the direction of CONSULTANT are its agents or employees and not agents or employees of the AUTHORITY.
8. **Indemnity.** To the fullest extent allowed by law, CONSULTANT hereby agrees to defend, indemnify, and save harmless AUTHORITY, its boards, officers, employees and agents, from and against any and all claims, suits, actions liability, loss, damage, expense, cost (including, without limitation, costs and fees of litigation) of every nature, kind or description, which may be brought against, or suffered or sustained by, AUTHORITY, its boards, officers, employees, and agents caused by, or alleged to have been caused by, the negligence, intentional tortuous act or omission, or willful misconduct of CONSULTANT, its officers, employees, subcontractors or agents in the performance of any services or work pursuant to this Agreement.

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

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

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

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

<table>
<thead>
<tr>
<th>Insurance Category</th>
<th>Minimum Limits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ Compensation</td>
<td>statutory minimum</td>
</tr>
<tr>
<td>Employer’s Liability</td>
<td>$1,000,000 per accident for bodily injury or disease</td>
</tr>
<tr>
<td>Commercial General Liability</td>
<td>$1,000,000 per occurrence and $2,000,000 aggregate for bodily injury, personal injury and property damage</td>
</tr>
<tr>
<td>Automobile Liability</td>
<td>$1,000,000 per accident for bodily injury and property damage (coverage required to the extent applicable to CONSULTANT’s vehicle usage in performing services hereunder)</td>
</tr>
</tbody>
</table>
It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the AUTHORITY as an Additional Insured. Furthermore, the requirements for coverage and limits shall be the greater of either (1) the minimum coverage and limits specified in this Agreement or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named Insured.

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

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

(a) Precluding cancellation or reduction in per occurrence limits before the expiration of thirty (30) days (10 days for nonpayment) after AUTHORITY shall have received written notification of cancellation in coverage or reduction in per occurrence limits by first class mail;

(b) Naming the South Bayside Waste Management Authority, its officers, boards, employees, and agents, as additional insureds;

(c) Providing that CONSULTANT’s insurance coverage shall be primary insurance with respect to South Bayside Waste

1 Note: Professional liability insurance coverage is not required if the CONSULTANT is not providing a service regulated by the state. (Examples of service providers regulated by the state are insurance agents, professional engineers, doctors, certified public accountants, lawyers, etc.) Please check and initial the following if professional liability is NOT required for this agreement. □ Recommended ______ [Project Manager] □ Approved ______ [Risk Manager]
Management Authority, its officers, boards, employees, and agents, and any insurance or self-insurance maintained by AUTHORITY for itself, its officers, boards, employees, and agents shall be in excess of CONSULTANT's insurance and not contributory with it. CONSULTANT and its insurer may not seek contribution from AUTHORITY's insurance or self-insurance.

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

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

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

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

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

10. WORKERS' COMPENSATION. CONSULTANT certifies that he is aware of the provisions of the Labor Code of the State of California which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and CONSULTANT certifies that he will comply with such provisions before commencing the performance of the work of this agreement.
11. **NON-DISCRIMINATION.** The CONSULTANT will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The CONSULTANT will take affirmative action to ensure that applicants are employed and the employees are treated during employment without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, advancement, demotion, transfer, recruitment, or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The CONSULTANT shall at all times be in compliance with the requirements of the Federal Americans With Disabilities Act (Public Law 101-336) which prohibits discrimination on the basis of disability by public entities. The CONSULTANT agrees to post in conspicuous places available to employees and applicants for employment any notices provided by the AUTHORITY setting forth the provisions of this non-discrimination clause.

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

**AUTHORITY:**  
Rethink Waste  
610 Elm Street, Suite 202  
San Carlos, CA 94070  
Attention: Joe La Mariana, Executive Director  
Phone: (650) 802-3500  
Fax: (650) 802-3501  
Email: jlamariana@rethinkwaste.org

**CONSULTANT:**  
Aaronson, Dickerson, Cohn & Lanzone  
Jean B. Savaree  
140 B Street, Suite 5, Box 115  
Davis, CA 95616  
Phone: (650) 593-3117  
Fax: (650) 453-3911  
Email: jbs@adcl.com

13. **Non-Assignment.** This Agreement is not assignable either in whole or in part.

14. **Amendments.** This Agreement may be amended or modified only by written agreement signed by both parties.

15. **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.
16. **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.

17. **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.

18. **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.

19. **Entire Agreement.** This Agreement, including Exhibits A and B, comprises the entire Agreement.

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

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Dated: ____________________________

Alicia Aguirre, Board Chair

ATTEST:

Dated: ____________________________

Cyndi Urman, Board Secretary

APPROVED AS TO FORM

Dated: ____________________________

Jean B. Savaree, Legal Counsel
EXHIBIT A

SCOPE OF WORK, WORK SCHEDULE, AND FEE SCHEDULE
FOR
LEGAL COUNSEL SERVICES

Jean B Savaree, providing legal services through the firm of Aaronson, Dickerson, Cohn & Lanzone, shall provide the following legal services to the South Bayside Waste Management Authority:

- Act as general counsel to the Board and staff of the SBWMA;
- Regularly attend Board and staff meetings;
- Prepare and review ordinances, resolutions, contracts, notices, agendas and other documents and papers necessary or appropriate in matters pertaining to the SBWMA;
- Provide legal advice, representation and assistance to the SBWMA, its Board and staff on all general legal matters pertaining to the SBWMA, including litigation and compliance with state and local laws.

Work will be completed on an agreed upon hourly rate of $297 per hour for the initial year of the Agreement. During each succeeding year of this Agreement, the Consultant’s hourly rate will be adjusted thereafter by an amount equal to the Consumer Price Index (All Urban Consumers) issued by the Bureau of Labor Statistics of the United Stated Department of Labor for the San Francisco - Oakland - San Jose, California area.
EXHIBIT B

INSURANCE FORMS

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

ATTACHED

1. Insurance Coverage Form
This INSURANCE COVERAGE FORM modifies or documents insurance provided under the following:

Named Insured: ____________________________________ Effective Work Date(s): __________________

Description of Work/Locations/Vehicles: _________________________________________________________

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

Endorsement and Certificates of Insurance Required
The Additional Insured, its elected or appointed officers, officials, employees and volunteers are included as insureds with regard to damages and defense of claims arising from: (Check all that apply)

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Policy No.</th>
</tr>
</thead>
</table>

General Liability: (a) activities performed by or on behalf of the Named Insured, (b) products and completed operations of the Named Insured, (c) premises owned, leased occupied or used by the Named Insured, and/or (d) permits issued for operations performed by the Named Insured. (Note: MEETS OR EXCEEDS ISO Form # CG 20 10 11 85)

Auto Liability: the ownership, operation, maintenance, use, loading or unloading of any auto owned, leased, hired or borrowed by the Named Insured, regardless of whether liability is attributable to the Named Insured or a combination of the Named Insured and the Additional Insured, its elected or appointed officers, officials, employees or volunteers.

Other:

Certificates of Insurance Required (no endorsement needed) (Check all that apply)

<table>
<thead>
<tr>
<th>Insurer</th>
<th>Policy No.</th>
</tr>
</thead>
</table>

Workers Compensation: work performed by employees of the Named Insured while those employees are engaged in work under the simultaneous directions and control of the Named Insured and the Additional Insured.

Professional Liability:

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

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

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

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

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

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

SIGNATURE OF INSURER OR AUTHORIZED REPRESENTATIVE OF THE INSURER

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

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Rob Kalkbrenner, Common Goal Consulting Group, Inc
Date: June 22, 2023 Board of Directors Meeting
Subject: Resolution to Authorize SCS Engineers Contract Amendment No. 1 For Additional Services to Define Prioritization of the Needs/Requirements of the January 2023 Shoreway Environmental Center Site Optimization and Design Development Starting Point Findings / Recommendations Report

Recommendation
It is recommended that the SBWMA Board of Directors approve Resolution No 2023-26 attached hereto authorizing the following action:

1. Approve SCS Engineers Contract Amendment No. 1 for $14,913 for Additional Services to Define Prioritization of the Needs/Requirements of the January 2023 Shoreway Environmental Center Site Optimization and Design Development Starting Point Findings / Recommendations Report and associated work.

Summary
Board of Directors' discussion of SCS Engineers' Final Site and Optimization Study and Design Development Starting Point Findings/ recommendations for acceptance began on January 26, 2023 and was then continued to the February 2023 the Board of Directors. At the February meeting the Board of Directors had questions about the three options and their related costs predictions that were presented by SCS Engineers. The Boards questions centered around how those options were developed and what other options were considered. Per the Board's request to provide more in-depth answers, staff requested a proposal from SCS Engineers to incorporate more details about their work, that is outlined below.

PROPOSED SCOPE OF WORK

Task 1: Prepare Memorandum Based on the agreed-upon prioritization, the Project Team will utilize our previously prepared work to summarize in a new memorandum the following information. Include information provided by Rethink Waste regarding new rules and regulations that may impact the operations of the site. No new work will be created or developed.

Task 2: Update Cost Estimates
Task 3: Provide an in-person presentation at the September 2023 Board Meeting.

Analysis
The Shoreway Environmental Center complex is approximately 16-acres and is wholly owned by the SBWMA. There are two large structures used for the transferring and recovery of materials, located at 225 and 333...
Shoreway Road, respectively, north of Holly Street/Redwood Shores Parkway in San Carlos, California. There are several important support structures, including two vehicle maintenance shops, an industrial-scale fuel island, an administrative building, an education center, and a public recycling drop-off center. There is truck parking area at the north end of the property that is used by Recology for parking of 150 collection and support vehicles, and storage of a standing inventory of waste material containers (carts and bins) used to serve the SBWMA service area. On-site parking is also currently provided to accommodate about 350 Recology, SBR and site-production related employees.

The purpose of this additional work is to provide more clarity to SCS Engineers’ Final Site and Optimization Study and Design Development Starting Point Findings/recommendations. More specifically to:

1. Document options evaluated, and the reasons they were eliminated, including use of the airport property, development of a parking structure on adjacent and/or off-site property. Summarize the recommended options, and number the options 1, 2, and 3. with each having different criteria and costs.
2. Describe the need for a permanent maintenance facility for SBI, and establishment of administrative space for SBI.
3. Describe relocation of Recology staff and office to top deck of new parking structure and razing of the existing building
4. Describe the need for new covered bale storage area as a result of the utilization of the existing bale storage area for development of a biofilter for anticipated air quality compliance measures.
5. Describe the use of the ground floor of the new parking structure for cart/bin storage .and eliminate compost distribution and self-haul load out option from parking structure The SCS Team will prepare a short (less than 5 pages) memorandum explaining the process, and updates, and include the appropriate, existing drawings. We will present a ranking of the options based on the priorities established by the client, as well as the cost estimates updated in Task 2.
6. In addition to the work described above, this amendment includes $5,312is included to compensate SCS Engineers for attending additional meetings and for preparing additional presentations documents, diagrams, and cost estimates.

**Background**

In January 2022, RethinkWaste Board of Directors approved a Request for Proposal (RFP) process to seek third-party engineering consultants to develop a site optimization study and a design development starting point for the Shoreview Environmental Center, (SEC). This procurement process resulted in the SBWMA hiring a qualified technical consulting team (SCS Engineers) to begin in May 2022 through October 2022 to capture, analysis, and make recommendations for the enhanced functionality and the optimum layout of site operations and emergency storage, fleet and employee parking, the agency staff office /conference, learning center, equipment storage, programing, and new material handling and processing technology systems, and needs. Discussion of this site began in January 2023 and was then continued to the February 2023 Board of Directors meeting where additional information was requested.

**Fiscal Impact**

The total for this and the associated work, staff recommends approving a contract amendment in the amount of $14,913.

**Attachments:**
- Resolution 2023-26
- Exhibit A SCS Contract Amendment No. 1
- Exhibit B SCS Engineers Proposal to provide additional assistance for the Site Optimization Study
- Attachment A – Original Executed SCS Engineers Professional Services Agreement for Shoreway Site Optimization Study Design Development for reference only (available online only at www.rethinkwaste.org)
RESOLUTION NO. 2023-26
RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS

1. APPROVING A CONTRACT AMENDMENT NO. 1 WITH SCS ENGINEERS’ FOR $14,913 FOR ADDITIONAL SERVICES TO DEFINE PRIORITIZATION OF THE NEEDS / REQUIREMENTS OF THE JANUARY 2023 SHOREWAY ENVIRONMENTAL CENTER SITE OPTIMIZATION AND DESIGN DEVELOPMENT STARTING POINT FINDINGS/ RECOMMENDATIONS REPORT FOR FY2023

WHEREAS, The South Bayside Waste Management Agency (SBWMA) is the property owner of the 16-acre Shoreway solid waste facility, buildings and property that handles over 450,000 tons of waste material generated in its 100 square mile service area each year; and

WHEREAS, This industrial level operations have been conducted on this site since the 1980s and the site is extremely space-constrained due to numerous applicable laws, environmental goals to transition the facility’s operating and vehicles to significantly reduce greenhouse gas emissions with urgency and other significant market drivers that require ever-increasing new operations and work flows that have simply outgrown the site’s current layout; and

WHEREAS, SBWMA Board Members, Technical Staff, Agency Staff and Contractors have all recognized the severe impacts of this situation during numerous public and planning-level meetings, as well as the agency's 2020 Long Range Plan in recent years; and

WHEREAS, SBWMA Board Members, has provided clear direction to Staff that priority planning status must be given to innovate, cost-effective industry-leading planning solutions when considering/ proposing site layout and operational alternatives for final; and

WHEREAS, the technical skills required to develop a site optimization study are beyond Agency Staff’s workload capacity and expertise; and

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the execution of a Contract with SCS Engineers not-to-exceed $14,913 in FY2023 to provide additional information for the Site Optimization Study and a Design Development starting point for the Shoreview Environmental Center in a contract attached hereto as Exhibit A, and proposal 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 22nd day of June 2023 by the following vote:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
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<tbody>
<tr>
<td>Belmont</td>
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<td>Redwood City</td>
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<td>Burlingame</td>
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<td>San Carlos</td>
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<td>East Palo Alto</td>
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<tr>
<td>Foster City</td>
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<td>County of San Mateo</td>
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<td>Hillsborough</td>
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<td>West Bay Sanitary Dist</td>
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<td>Menlo Park</td>
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I HEREBY CERTIFY that the foregoing Resolution No. 2023-26 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.

ATTEST: Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board
FIRST AMENDMENT TO THE AGREEMENT FOR PROFESSIONAL SERVICES BETWEEN THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY AND SCS ENGINEERS

This document constitutes the First Amendment to the Agreement for Professional Services entered into as of the 5th day of May 2022 by and between the South Bayside Waste Management Authority, hereinafter “SBWMA”, and SCS ENGINEERS, hereinafter “Consultant”.

RECITALS

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

WHEREAS, on May 5th, 2022, SBWMA and Consultant entered into an Agreement for Professional Services for the Shoreway Site Optimization Study and Design Development; and

WHEREAS, Consultant has indicated that the scope of work needs to be revised to Define Prioritization of the Needs/ Requirements of the January 2023 Shoreway Environmental Center Site Optimization and Design Development Starting Point Findings / Recommendations Report and associated work]; and

WHEREAS, the Agreement for Professional Services is hereby amended to reflect the scope of work and Not-to-Exceed fee.

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

I. Section 1, Services, shall be amended to read as follows:
   SCOPE OF WORK
   a. Task 1: Prepare Memorandum Based on the agreed-upon prioritization, the Project Team will utilize our previously prepared work to summarize in a new memorandum the following information. Include by “noting” any new rules and regulations that may impact the operations of the site. No new work will be created or developed.
   b. Task 2: Update Cost Estimates
   c. Task 3: Presentation Input and Attend September 2023 Board Meeting.
   d. Other associated professional services done in conjunction with the January and February 2023 Board of Directors’ meetings.

II. Section 2, Term, shall be amended to read as follows:
   The term of this Agreement shall commence upon the date hereinabove written through September 30, 2023, unless terminated earlier pursuant to Section 10 of
III. Section 4, **Compensation; Expenses; Payment**, shall be amended to read as follows:
The adjusted Not to Exceed fee is now $184,729.

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

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY:

___________________________________  DATED: _________________, 2023
Joe La Mariana, Executive Director

APPROVED AS TO FORM:

___________________________________  DATED: _________________, 2023
Jean B. Savaree, SBWMA Attorney

CONSULTANT:

By: ________________________________  DATED: _________________, 2023
__________ [name], __________ [title]

NOTICE TO PROCEED

By: ________________________________  DATED: _________________, 2023
Cyndi Urman, Board Secretary
May 24, 2023  
File No. 01222116.00

Mr. Joe LaMariana  
Executive Director  
South Bay Waste Management Authority  
610 Elm Street, Suite 202  
San Carlos, CA 94070

Via Email

Subject: Proposal for Additional Assistance for the Site Optimization Study

Dear Mr. LaMariana:

SBWMA has requested a scope of work and fee for follow up work on the Site Optimization Study. Specifically, the work will provide clarification of our previous work and present to the Board clearly defined prioritization of the needs/requirements of the site optimization study. The following scope of work has been prepared based on our discussions and understanding of your needs at this time.

**SCOPE OF WORK**

**Task 1: Prepare Memorandum**

Based on the agreed-upon prioritization, the Project Team will utilize our previously prepared work to summarize in a new memorandum the following information. No new work will be created or developed.

1. Document options evaluated, and the reasons they were eliminated, including use of the airport property, development of a parking structure on adjacent and/or off-site property. Summarize the recommended options, and number the options 1, 2, and 3. with each having different criteria and costs.

2. Describe the need for a permanent maintenance facility for SBI, and establishment of administrative space for SBI.

3. Describe relocation of Recology staff and office to top deck of new parking structure and razing of the existing building.

4. Describe the need for new covered bale storage area as a result of the utilization of the existing bale storage area for development of a biofilter for air compliance measures.

5. Describe the use of the ground floor of the new parking structure for cart/bin storage, and eliminate compost distribution and self-haul load out option from parking structure.

The SCS Team will prepare a short (less than 5 pages) memorandum explaining the process, and updates, and include the appropriate, existing drawings. We will present a ranking of the options based on the priorities established by the client, as well as the cost estimates updated in Task 2.
Task 2: Update Cost Estimates

SCS will revise the cost estimates to include the additional costs for one large new maintenance building to be used by contractors. Costs associated with other additional building(s) will be eliminated.

Task 3: Presentation Input and Attend Board Meeting

The Project Team will provide input to the SBWMA Board presentation, and one Project Team staff (Evan Williams) will attend the Board Meeting in person. One Project Team staff will attend one Board meeting virtually. It is anticipated each Board meeting will be three hours in length. If in-person attendance at the Board meeting by Evan Williams is not required, the budget will be adjusted accordingly.

BUDGET

The proposed budget to complete the above-described scope of work is shown in Table 1.

<table>
<thead>
<tr>
<th>Task</th>
<th>Description</th>
<th>Hours</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Prepare Memorandum</td>
<td>11</td>
<td>$2,550.00</td>
</tr>
<tr>
<td>2</td>
<td>Update Cost Estimates</td>
<td>9</td>
<td>$1,491.00</td>
</tr>
<tr>
<td>3</td>
<td>Presentation Input and Board Meeting</td>
<td>20</td>
<td>$5,560.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td><strong>$9,601.00</strong></td>
</tr>
</tbody>
</table>

Following your review of this proposed scope and budget, we will be happy to meet with you to discuss any questions you may have. We look forward to completing this next phase of the project with you.

Sincerely,

Michelle P. Leonard
Senior Vice President
SCS Engineers

Tim S. Flanagan
Project Director
SCS Engineers

MPL/TSF/jml
To: SBWMA Board Members
From: John Mangini, Senior Finance Manager
Date: June 22, 2023 Board of Directors Meeting
Subject: Approval of Quarterly Investment Report for the Quarter Ended March 31, 2023

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

Analysis
The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of March 31, 2023, the investment portfolio was compliant with the Investment Policy. The portfolio contains sufficient liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

Fiscal Impact
The attached Investment Portfolio Summary indicates that as of March 31, 2023, funds in the amount of $34,181,489 were invested, producing a weighted average yield of 3.44%.

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

<table>
<thead>
<tr>
<th></th>
<th>Qtr Ended</th>
<th>Qtr Ended</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12/31/2022</td>
<td>3/31/2023</td>
<td>(Decrease)</td>
</tr>
<tr>
<td>Total Portfolio</td>
<td>$33,943,006</td>
<td>$34,181,489</td>
<td>$238,483</td>
</tr>
<tr>
<td>Weighted Average Return</td>
<td>2.83%</td>
<td>3.44%</td>
<td>0.61%</td>
</tr>
<tr>
<td>Interest/Dividends Earnings</td>
<td>$198,035</td>
<td>$268,186</td>
<td>$70,151</td>
</tr>
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</table>

The total quarter-end portfolio balance increased by $238,483 when compared with the previous quarter. The increase is primarily due to interest earnings 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:

<table>
<thead>
<tr>
<th></th>
<th>12/31/2022 Balance</th>
<th>% of Total</th>
<th>3/31/2023 Balance</th>
<th>% of Total</th>
<th>Change over Prior Quarter</th>
</tr>
</thead>
<tbody>
<tr>
<td>SM County Pool</td>
<td>$9,616,995</td>
<td>28.33%</td>
<td>$9,659,807</td>
<td>28.26%</td>
<td>$42,812</td>
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<tr>
<td>LAIF</td>
<td>11,712,786</td>
<td>34.51%</td>
<td>11,777,465</td>
<td>34.46%</td>
<td>$64,679</td>
</tr>
<tr>
<td>Bond Accounts</td>
<td>12,613,225</td>
<td>37.16%</td>
<td>12,744,217</td>
<td>37.28%</td>
<td>$130,992</td>
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<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>$33,943,006</strong></td>
<td><strong>100%</strong></td>
<td><strong>$34,181,489</strong></td>
<td><strong>100%</strong></td>
<td><strong>$238,483</strong></td>
</tr>
</tbody>
</table>

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

Due to arbitrage restrictions, bond investments are not included in our Local Agency Investment Fund (LAIF) rate or investment pool comparison. As of March 31, 2023, the bond project accounts of approximately $12.7 million were invested with the trustee in cash and short-term investments.

As of March 31, 2023, investment in the County Investment Pool totaled 28.26% of SBWMA’s funds available for investment pools (see Attachment 1), while the investment in LAIF totaled 34.46%. 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 3.44%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending March 31, 2023, was 2.83%, higher than the 2.17% in the prior quarter. The San Mateo County Pool average yield for the quarter was 2.50%, higher than the 1.86% in the prior quarter.

**Attachments**
- A – Summary of All Investments for Quarter Ending March 31, 2023
- B – Investment Portfolio 3/31/2023 - Chart
- C – Historical Summary of Investment Portfolio
## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
### SUMMARY OF ALL INVESTMENTS
For Quarter Ending MARCH 31, 2023

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate of Return</th>
<th>Historical Cost</th>
<th>% of Portfolio</th>
<th>Market Value*</th>
<th>Interest/Dividend Earned</th>
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<tr>
<td>Liquid Investments:</td>
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<tr>
<td>San Mateo County Investment Pool (COPOOL)</td>
<td>2.50%</td>
<td>$9,659,807</td>
<td>45.1%</td>
<td>$9,404,885</td>
<td>$57,647</td>
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<tr>
<td>Local Agency Investment Fund (LAIF)</td>
<td>2.83%</td>
<td>$11,777,465</td>
<td>54.9%</td>
<td>$11,618,591</td>
<td>$79,375</td>
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<tr>
<td><strong>Total - Investments</strong></td>
<td>2.68%</td>
<td><strong>21,437,272</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>21,023,476</strong></td>
<td><strong>137,022</strong></td>
</tr>
</tbody>
</table>

| Bond Accounts - Cash with Fiscal Agents       |                |                 |                |              |                          |
| BNY - 2019AB Payment Fund 762666             | 4.71%          | 813             | 813            | 9            |
| BNY - 2019AB Refunding Costs Fund 762667    | 0.00%          | 1               | 1              | -            |
| BNY - 2019AB Refunding Project Fund 762668  | 4.71%          | 12,743,403      | 12,743,403     | 131,155      |
| **Total - Bond Accounts**                    | 4.71%          | **12,744,217**  | **12,744,217** | **131,164**  |

| GRAND TOTAL OF PORTFOLIO                      | 3.44%          | $34,181,489     | $33,767,693    | $268,186     |

**Total Interest/Dividend Earned This Quarter** 268,186
**Total Interest/Dividend Earned Fiscal Year-to-Date** 268,186

*Note: SBWMA Board approved the following investment mix at its January 26, 2023 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.*
SBWMA
Investment Portfolio
3/31/2023

San Mateo County Pool, 28.3%
LAIF, 34.5%
Bond Accounts, 37.3%

- San Mateo County Pool
- LAIF
- Bond Accounts
South Bayside Waste Management Authority Portfolio

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<thead>
<tr>
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<tbody>
<tr>
<td>SM County Pool</td>
<td>7,454,664</td>
<td>9,474,545</td>
<td>9,494,426</td>
<td>9,518,081</td>
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<td>9,585,124</td>
<td>9,616,995</td>
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<td>LAIF</td>
<td>8,458,497</td>
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<td>12,387,551</td>
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<td>12,420,523</td>
<td>11,712,786</td>
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<tr>
<td>Bond Accounts</td>
<td>16,048,067</td>
<td>16,000,448</td>
<td>15,928,708</td>
<td>12,461,970</td>
<td>12,462,894</td>
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<td>12,522,684</td>
<td>12,613,225</td>
<td>12,744,217</td>
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<tr>
<td>Grand Total</td>
<td>31,961,228</td>
<td>35,942,731</td>
<td>35,798,324</td>
<td>34,361,601</td>
<td>34,389,240</td>
<td>34,429,540</td>
<td>34,528,326</td>
<td>33,943,006</td>
<td>34,181,489</td>
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SBWMA

Historical Summary of Investment Portfolio by %

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<tr>
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<tbody>
<tr>
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<td>27.8%</td>
<td>28.3%</td>
<td>28.3%</td>
<td>28.3%</td>
</tr>
<tr>
<td>LAIF</td>
<td>26.5%</td>
<td>29.1%</td>
<td>29.0%</td>
<td>36.0%</td>
<td>36.0%</td>
<td>36.0%</td>
<td>34.5%</td>
<td>34.5%</td>
<td>34.5%</td>
</tr>
<tr>
<td>Bond Accounts</td>
<td>50.2%</td>
<td>44.5%</td>
<td>44.5%</td>
<td>36.3%</td>
<td>36.2%</td>
<td>36.2%</td>
<td>37.2%</td>
<td>37.2%</td>
<td>37.3%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
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ADMINISTRATION AND FINANCE
STAFF REPORT

To: SBWMA Board Members
From: Cyndi Urman, Clerk of the Board
Date: June 22, 2023 Board of Directors Meeting
Subject: Retreat Feedback and Approval of the Minutes from the May 25, 2023 Board/TAC Retreat

Recommendation:
This staff report is for discussion purposes only and no formal action is requested of the Board of Directors.

Summary
The Board Chair requested an opportunity for Board feedback at today's meeting from the May 25, 2023, Board/TAC/Contracting Partners Retreat. The compiled feedback from the small group discussions at the retreat is included in the minutes. Upon review of the topics discussed at the retreat, you are encouraged to give staff feedback on the retreat, or future agency direction you would like staff to initiate based on retreat discussions.

After the feedback and discussion, a vote will be taken to approve the minutes.

Attachments:
Attachment A – Minutes from the May 25, 2023, Board/TAC/Contracting Partners Retreat
Call to Order: 2:07 PM
1. Call to Order/Roll Call
   Board Members

<table>
<thead>
<tr>
<th>Agency</th>
<th>Present</th>
<th>Absent</th>
<th>Agency</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont</td>
<td>X</td>
<td></td>
<td>Redwood City</td>
<td>X</td>
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<td>Burlingame</td>
<td>X</td>
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<td>San Carlos</td>
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<td>East Palo Alto</td>
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<td>San Mateo</td>
<td>X</td>
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<tr>
<td>Foster City</td>
<td>X</td>
<td></td>
<td>County of San Mateo</td>
<td>X</td>
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<tr>
<td>Hillsborough</td>
<td>X</td>
<td></td>
<td>West Bay Sanitary District</td>
<td>X</td>
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<tr>
<td>Menlo Park</td>
<td>X</td>
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</tbody>
</table>

Member Taylor (Menlo Park) Participated by Zoom, using 1 of 2 of her emergency declarations due to illness.

Roll Call TAC Members

<table>
<thead>
<tr>
<th>Agency</th>
<th>Present</th>
<th>Absent</th>
<th>Agency</th>
<th>Present</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont</td>
<td>X</td>
<td></td>
<td>Redwood City</td>
<td>X</td>
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<td>Burlingame</td>
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<td>X</td>
<td>San Carlos</td>
<td>X</td>
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<tr>
<td>East Palo Alto</td>
<td></td>
<td>X</td>
<td>San Mateo</td>
<td>X (2:38PM)</td>
<td></td>
</tr>
<tr>
<td>Foster City</td>
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<td>County of San Mateo</td>
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<tr>
<td>Hillsborough</td>
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<td>West Bay Sanitary District</td>
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<tr>
<td>Menlo Park</td>
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</table>

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

None
3. **Board/TAC Retreat “Strengthening our Partnerships.”**

Chair Aguirre welcomed board and TAC members to the retreat and introduced Jim Delia who would facilitate the retreat.

Jim Delia went over the agenda for the day with the intent of strategic planning and thinking about the big picture for the agency. Discussion topics include reviewing the agency’s mission and objectives, the value of RethinkWaste Stakeholder and Agency accomplishments, and its 2023 goals.

After discussing RethinkWaste’s current mission statement and our triple zero objectives (Zero recyclables to the landfill; Zero organics to the landfill; and Zero Green House Gas emissions generated from our operations) the group broke into smaller groups to discuss: 1) what do you love most about your work with RethinkWaste, and 2) what changes would you like to see.

1. **Points brought up by the groups for question 1: What do you love most about work with RethinkWaste:**

**Collaboration**

- Love the collaborative nature of the Agency.
- More efficient that each City providing these services on their own – economies of scale.
- Members liked the fact that they are not on our own dealing with problems.
- There is no waiting a week for information. Appreciate working as a group so as we “aren’t alone” like other cities who have to work on issues independently.
- Gathering knowledge through a regional agency and bringing that knowledge back to city councils
- Rewarding to sit on a committee that is collaborative and has active work to do, and gets things done.

**Understanding complex issues around waste management**

- Get a better understanding of waste streams/systems to answer questions from constituents. Example being on issues with the numbers on plastics and how to recycle.
- How everything fits in infrastructure and how it connects to people
- Being on the front lines to combat greenhouse gas emissions.
- Being on the cutting edge of technology

**Dedicated staff expertise responsible for staying on top of technical issues.**

- Have up to date knowledge of the ever-changing plastics issue
- Structure and responsiveness of staff
- Working relationships and the people we work with
- SBWMA staff keeps track of things that should be done in the solid waste industry as city staff have a multitude of projects, so it is very helpful that SBWMA either takes care of tasks for city staff or reminds city staff what to do.
- Collaboration with the city

**Active and interesting work**

- Things are constantly changing, which is fun.
- Stretches our intellect in terms of the variety of technical projects.
- Opportunities to incubate new and innovative ideas.
- Work feels impactful on a direct and individual level.
• Making a difference in the world
• Implementing innovative waste programs
• Simplifying complicated topics, so many different layers but everything is connected, and everyone has waste.
• Work we all do is understated, it touches everyone no matter if they’re residents or businesses.
• Opportunities to incubate new and innovative ideas.

Education and Community Engagement
• Level of efforts in education which increases engagement.
• It’s on a personal level and it makes a difference.

2. Points brought up by the groups during question 2: What changes would you like to see:

Proactive Agency Model
• There are all sorts of changes imposed from the outside which puts us in a reactive mode as we work through them.
• Best practices research - RethinkWaste should continue looking at what is happening in other areas of the country.
• In the early 1990’s, there was more of a hands-off approach and now it’s more hands on in terms of elected boards vs staff board members; would like to see more focus from the board members as a board of electives can sometimes take longer to implement changes.

Legislative Focus
• Having Agency action driven from legislation instead of the bottom is tough to happen.
• Legislation in CA isn’t as aggressive in Europe. Support for governor’s executive orders so they stick.
• Would like to see legislation start more so after the fact, not reactive.
• More legislation to help with the issues of manufacturing and more accountability for manufacturers.

Waste Processing and handling
• Cradle to grave – focus on cradle because we’re managing the grave, but externalities in manufacturing gets complicated in California.
• More accountability for upstream producer responsibility
• Increasing access to recycling/compost, especially when in the public (i.e., more public receptacles)
• Focus on minimizing waste, but managing the cost model because the more you reduce waste the higher the cost.
• Increase accessibility for unhoused population, such as more available services rather than abandoning waste on the side of the road.

Education topics to focus on more.
• Reduction of consumption
• Strengthen education with the public - More programs like Trash-To-Art that get engagement from the public.
• More use of social media, more commercials and different types of media
• Short cartoons geolocated to service area
• Topics about sorting of recyclables, compost, and trash

Collaboration
• Collaboration in the service area among Member Agencies
Would like to see RethinkWaste be a County wide agency for waste management.

Administrative Items
- Would like to see calendar year financials for permits, insurance policies and premiums, and fire risk.
- Would like the budget to include the entire cost of the agency, the budget includes the site operating contract but not the Recology costs.
- Room to improve Triple Zero Goals and focus less on solid waste – if we do only focus on solid waste then they should be called triple zero goals.
- It’s a challenge to delineate the roles and responsibilities between city staff, RethinkWaste staff and the hauler.
- Clearer integration between operation/projects and public process

Shoreway Site
- Decarbonize fleet.
- Increase accessibility to Shoreway Environmental Center - Changing shift operation hours to be better suited to members of the public.
- Stronger focus on innovation and technology
- Hardening the facility for risk

RethinkWaste Brand Identity
- Looking at our “brand” identity. RethinkWaste is ok, but doesn’t like the brand confusion with Recology, etc. “sounds like a waste think tank.”
- RethinkWaste sounds like Recology in terms of name and roles and responsibilities.
- Names can get confusing RethinkWaste vs SBWMA.

After hearing from each other, the groups then looked at the mission statement and Triple Zero goals again and were asked to discuss if they were still relevant or if they needed to be changed.

3. Mission statement

Length Discussions
- Mission should only be one sentence that you can remember.
- Overall tightening/shortening the Mission statement.
- Mission statements are intended to be broad-- ours is too wordy.
- Mission statement is pretty good, maybe need to change words so that a layperson can understand.

Wordsmithing Discussions
- Environmental stewardship should be made more prominent (right now public health and safety is first)
- Add a short tag line in addition to the mission statement.
- Change “Member Agency climate action plans” to “supporting regional programs (or goals)” another group wanted to remove “Member Agency climate action plans.”
- Change “Solid waste” to Recycling.
- Keep “Serving the public with environmentally sound services.”
- Maybe include a “how” to describe how to execute the mission.
- Does not agree in being an “Industry leaders in environmental stewardship ” as the member agency emphasis is on compliance, not innovation.
- Likes words in the mission statement to included dependable, improving community, efficiency and cost-effectiveness.
**Cost-Effective Element in the Mission Statement**

- Mission statement is relevant, but the "cost effective" element can be hard to balance when we are trying to be more innovative (EV). Should we move away from "cost effective" so that we can prioritize the triple zero objectives?
- Cost effective and inexpensive are not the same. If the upgrades are producing the results we are looking for, maybe survey the rate payers about what they understand "cost effective" to mean - do they want lower rates or better programs?
- Cost effective vs cost efficient: maybe efficient is a better word for the Mission Statement.

**Overarching suggested changes**

- The real mission is to be the leaders in solid waste in diversion from landfill/disposal.
- Let the industry tell us we’re the leaders, our mission is not to be the leaders.
- One group suggested an updated mission statement “To be environmental stewards by providing ratepayers with innovative, cost-effective zero waste programs.”
- Member Agencies struggle with complying with additional state mandates that are being loaded on with timeframes that are almost impossible to meet. Doesn’t help us achieve our mission when funding may not be available.
- The mission statement is a weird intersection between education and programs and running the facility.
- Keep ratepayers out of mission statement because that decision is pushed to cities.
- Add something broad based about environmental stewardship.
- One group noted that the PCE statement was really good, and you could just replace energy with waste.

**4. Objectives**

- Either make all of the triple zero goals more aspirational or change them all to something more attainable, but likely remove the word “eliminate.”
- Add something about minimizing the generation of waste, managing responsibility upstream on the consumer.
- Possibly change Triple Zero Goals from “eliminate” to “minimize.”
- Change “Triple Zero Objectives” to be more aspirational.
- Include a focus on reduction.
- Don't limit GHG emissions to just the Member Agencies
- One group wanted to combine the first two triple zero objectives and add an objective about solid waste.
- These objectives are likely not enough to get to Zero GHG.

The group then heard a presentation from Michael Brownrigg on the value of member agency participation in RethinkWaste.

He spoke on why RethinkWaste is the most important agency Board and TAC members can serve on because the price of getting garbage collection wrong is very high for public officials, noting historical instances where garbage collection led to the demise of governments. He noted three big issues the Agency works on that are important to public officials: public health, the ubiquity of plastic in the environment and the climate implications of waste. He noted that today in the US, Americans produce six pounds of trash per person every day, with only 25 to 30% being recycled. So, three quarters of our waste is still going to landfill. The American production cycle of extraction of natural resources, the production of the goods, then transporting those goods to US consumers produces about 40% of all the greenhouse gases. If 75% is then being thrown away, Americans are contributing to greenhouse gas pollution for no good reason.

He continued that California is actually one of the worst states for greenhouse gas pollution. California puts 35 tons per person to landfill every year, while Texas disposes 17 tons per person. He pointed to SB 1383 as an important reason for public officials to serve on this Agency. As much as the cost implications are disliked and
challenging it is so important to keep organic waste out of the landfill. He noted that elected officials are not paid and chose the issues that are important to them. With this agency we can work on issues that advance the goals of political stability, public health, climate change, and as an agency collectively we can move the needle on these issues.

He continued with why he thought the Agency could collectively move the needle. The Shoreway MRF is one of the top 50 (public-owned) MRFs in the country by tonnage. Most MRFs in this county are owned by the private sector. The public sector is not thinking about the big picture, at RethinkWaste we focus on public outcomes and therefore can take more risk to achieve a better public outcome. RethinkWaste is beholden to residents who are ratepayers not shareholders, and he believes the residents care about the issues the Agency is working to solve, but we always have to find the balance between the most efficient garbage collection and how to keep rates down.

The group then heard presentations from each of the senior staff and the committee work they are responsible for on the accomplishments and challenges from 2022, as well as RethinkWaste’s contracting partners: Zero Waste Committee (Staff Gans); Finance Committee (Staff Mangini); Public Education Committee and Legislative Committee, Technical Advisory Committee (Andra Lorenz TAC Chair representing Foster City); Recology (Evan Boyd, General Manager San Mateo County); South Bay Recycling (Phil Couchee, General Manager SBR); and new facility operator (in 2024) South Bay Industries (Chris Valbusa, General Manager Alameda County Industries for Dwight Herring, General Manager SBI)

The group then had the opportunity to question the presenters.

TAC Member Johnson commented that he was very moved by what Board Member Brownrigg had to say about the many challenges of plastic pollution, the people of San Mateo County, and encouraged members to take it seriously and give staff direction to take action.

New discussion groups were formed, and small groups discussed Agency goals for 2023. Goals that came up in the groups included:

**Facility Operations Contract Transition**
- All groups agreed that a smooth Facility Operator transition over the next year is critical.

**SB1383 implementation and related facility work**
- SB 1383 compliance (the goal listed by staff currently only mentions outreach)
- Linking O2E to SB 1383 Compliance
- SB 1383 Contamination and Enforcement process and procedures
- General SB 1383 Compliance

**Facility**
- Comprehensive facility master plan that includes office space and rethinking of the back lot site plan (vs the MRF/TS buildings) - well planned industrial site. Traffic loop around the outside to separate truck traffic from office traffic routes.
- Site acquisition—possible options
- Long term funding
- Site optimization
- Tie the Administrative Office move to site optimization plan since the two are linked.
- Organics to Energy program a becoming carbon negative
- UST replacement project
- Correctly specifying the MRF equipment phase II planning (to be innovative and forward thinking in the
field especially sorting materials better, especially plastics)

- SB 54 Implementation and Reducing Plastics
- Implementation of CRV for everything we want to see recycled.
- Zero waste at the Shoreway Facility

Budget
- Cost control
- Explanation of costs to rate payers (Site optimization, Operator Transition etc.)

Outreach and Agency Messaging
- Get everyone on board with the same mission.
- Rate messages in outreach since there are increases all around. Not just ratepayers but also the constituents
- Provide guidance on residential and commercial SB 1383 outreach before enforcement starts.
- Education to the public is important and don’t want to let up because it’s tied to compliance.

Legislative
- Ways to reduce labor costs, processing and disposal costs and working towards more disposal and processing options.
- Supporting more statewide manufacturing responsibilities
- Advancing vehicle electrification (Legislation towards moving industry along for better electric trucks)

Executive Director La Mariana provided summary remarks that closed the retreat by thanking Board and TAC members and Contracting partners and staff for their attendance and participation and adjourned the public/retreat portion of the meeting.

4. Board and TAC Member Comments

5. Board Members Adjourn to CLOSED SESSION

CTO: 4:13PM
Roll Call

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<tr>
<th>Agency</th>
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</tr>
<tr>
<td>Burlingame</td>
<td>X</td>
<td></td>
<td>San Carlos</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>East Palo Alto</td>
<td>X</td>
<td></td>
<td>San Mateo</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Foster City</td>
<td>X</td>
<td></td>
<td>County of San Mateo</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Hillsborough</td>
<td>X</td>
<td></td>
<td>West Bay Sanitary District</td>
<td></td>
<td>X</td>
</tr>
<tr>
<td>Menlo Park</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Member Taylor (Menlo Park) Participated by Zoom
Member Rak recused himself from the discussion.

A. Pursuant to Government Code (§ 54956.8): Real Property Negotiations 1245 San Carlos Ave. Suite E, San Carlos, CA 94070 Agency Representatives Executive Director Joe La Mariana and Legal Counsel Jean B. Savaree

6. Adjourn 5:18PM
STAFF REPORT

To: SBWMA Board Members
From: John Mangini, Senior Finance Manager
Date: June 22, 2023 Board of Directors Meeting
Subject: Resolution Approving Mid-Year 2023 Budget Adjustments and the FY2024 Budget Forecast with 2024 Member Agency Tip Fee Projections

Recommendation
It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-27 attached hereto authorizing the following action:

1. Approval of the Mid-Year Budget Adjustments for FY2023
2. Approval of the FY2024 Budget Forecast

Analysis
Staff has conducted a thorough analysis of year-to-date budgeted revenues and expenditures, and has made projections through year-end (December 31st, 2023) and has made forecast projections for FY2024. These findings were reviewed and discussed by the SBWMA Finance Committee at its June 13th meeting. The Finance Committee recommended that this staff report go forward to the Board.

Staff is presenting a FY2024 Budget Forecast for the purpose of estimating 2024 tipping fees. Tipping fees are an essential component of 2024 Member Agency Annual Revenue Requirement which is typically calculated and approved by the Board at its September meeting in conjunction with the approval of Recology’s Annual Compensation Adjustment Application.

- Attachment A contains budget worksheets providing line-item detail for all projected revenues, expenditures and capital spending for FY2023 and the FY2024 Forecast.

<table>
<thead>
<tr>
<th>Categories</th>
<th>FY2023 Adopted Budget</th>
<th>MY2023 Budget Update</th>
<th>Variance to 2023 Adopted Budget</th>
<th>Variance %</th>
<th>FY2024 Forecast Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$ 58,978,487</td>
<td>$ 58,878,719</td>
<td>$(99,767)</td>
<td>0%</td>
<td>$ 71,961,773</td>
</tr>
<tr>
<td>SBWMA Program</td>
<td>4,386,681</td>
<td>4,009,159</td>
<td>(377,522)</td>
<td>-9%</td>
<td>4,421,889</td>
</tr>
<tr>
<td>SB 1383 Compliance</td>
<td>1,180,228</td>
<td>1,180,415</td>
<td>187</td>
<td>0%</td>
<td>581,708</td>
</tr>
<tr>
<td>Shoreway Operations</td>
<td>47,967,039</td>
<td>47,852,897</td>
<td>(114,142)</td>
<td>0%</td>
<td>60,833,262</td>
</tr>
<tr>
<td>Total Operating Expense</td>
<td>$ 53,533,948</td>
<td>$ 53,042,471</td>
<td>$(491,477)</td>
<td>-1%</td>
<td>$ 65,836,859</td>
</tr>
<tr>
<td>Non-Operating Expense</td>
<td>4,655,315</td>
<td>4,651,012</td>
<td>(4,303)</td>
<td>0%</td>
<td>5,173,253</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$ 58,189,263</td>
<td>$ 57,693,483</td>
<td>$(495,780)</td>
<td>-1%</td>
<td>$ 71,010,113</td>
</tr>
<tr>
<td>Net Revenue and Expense</td>
<td>$ 789,224</td>
<td>$ 1,185,237</td>
<td>$ 396,013</td>
<td>50%</td>
<td>$ 951,661</td>
</tr>
</tbody>
</table>
Table 1 illustrates the 2023 Net Revenue and Expense projected at $1,185,237 which is $396,013 more than was projected in the Adopted FY2023 Budget. The forecasted 2024 Net Revenue and Expense is calculated to be $810,401 with a $13 million increase in revenue due to 25% increase in tip fees. Tip fee increases are shown in Table 7. The 2024 tip fee increase is driven by the Operating Agreement with South Bay Industries (SBI) commencing on January 1, 2024. The increased compensation to SBI in 2024 has been projected to increase ratepayer rates by 8 to 10% since the SBWMA received the Operating Agreement RFP responses back last fall. At that time, Staff strongly recommended that each member agency adopt a two-step adjustment strategy while setting their 2023 and 2024 rates. The first recommended step was to add 3-5% adjustment to their 2023 rates above their contractually prescribed routine CPI adjustments. The second recommended step was to plan for an additional 3-5% adjustment above their contractually prescribed routine CPI adjustments in 2024 rates.

At this time the 8-10% step-up in costs are still tracking as originally projected.

Revenues

As shown Table 2 below, there is a slight negative revenue variance of $99,767 due to the following:

1. $.6 million revenue increase from interest income due to improved returns from CoPool and LAIF.

2. $.6 million decrease in commodity revenue due to a decrease in volume and an expected decrease commodity pricing. A commodity revenue summary is provided in Table 3 below.

Table 2

<table>
<thead>
<tr>
<th>Revenue</th>
<th>FY2023 Adopted Budget</th>
<th>MY2023 Budget Update</th>
<th>Variance to 2023 Adopted Budget</th>
<th>Variance %</th>
<th>FY2024 Forecast Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tip Fee Revenue</td>
<td>$ 52,129,324</td>
<td>$ 52,038,953</td>
<td>$ (90,371)</td>
<td>0%</td>
<td>$ 64,421,526</td>
</tr>
<tr>
<td>Franchised</td>
<td>12,455,833</td>
<td>12,436,084</td>
<td>(19,719)</td>
<td>0%</td>
<td>15,555,305</td>
</tr>
<tr>
<td>Non Franchised</td>
<td>40,673,491</td>
<td>39,602,870</td>
<td>(70,622)</td>
<td>0%</td>
<td>48,866,220</td>
</tr>
<tr>
<td>Net Commodity Sales Revenue*</td>
<td>6,595,968</td>
<td>6,021,924</td>
<td>(574,044)</td>
<td>-9%</td>
<td>6,958,248</td>
</tr>
<tr>
<td>Interest Income</td>
<td>236,192</td>
<td>800,000</td>
<td>563,808</td>
<td>239%</td>
<td>560,000</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>17,003</td>
<td>17,842</td>
<td>840</td>
<td>5%</td>
<td>22,000</td>
</tr>
<tr>
<td><strong>Total Revenue:</strong></td>
<td><strong>$ 58,978,487</strong></td>
<td><strong>$ 58,878,719</strong></td>
<td><strong>$ (99,767)</strong></td>
<td>0%</td>
<td><strong>$ 71,961,773</strong></td>
</tr>
</tbody>
</table>

*Gross commodity sales less 25% revenue share with SBR.
Table 3

<table>
<thead>
<tr>
<th>COMMODITY REVENUE</th>
<th>FY2023 Adopted Budget</th>
<th>MY2023 Budget Update</th>
<th>Variance to 2023 Adopted Budget</th>
<th>Variance %</th>
<th>FY2024 Forecast Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tons Sold</td>
<td>50,716</td>
<td>46,264</td>
<td>(4,452)</td>
<td>-8.8%</td>
<td>49,911</td>
</tr>
<tr>
<td>Wtd Avg. Price</td>
<td>$142.57</td>
<td>$139.75</td>
<td>(2.82)</td>
<td>-2.0%</td>
<td>$139.41</td>
</tr>
<tr>
<td>Gross Revenue</td>
<td>$7,230,821</td>
<td>$6,465,429</td>
<td>(765,392)</td>
<td>-10.6%</td>
<td>$6,958,248</td>
</tr>
<tr>
<td>Revenue Share w/Operator</td>
<td>$634,853</td>
<td>$443,505</td>
<td>191,348</td>
<td>-30.1%</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Net Commodity Revenue $6,595,968 $6,021,924 $(574,044) -8.7% $6,958,248

Expenses
Lower than budgeted Expenditures of $495,780 are primarily due to the following (see Table 4 and Table 5):

1. Reduced SBWMA Program expenses in various categories (See Attachment A)

2. A decrease in SBR compensation mainly due to the non-operation of Organics to Energy (O2E) Equipment. The O2E operation has been paused in 2023 due to the temporary lack of food waste material being received at Shoreway. Another 20-40 tons per day of eligible clean material is needed (to match pre-COVID levels) to resume cost-effective operation of this innovative process.

3. Higher disposal and processing cost of due to the non-operation of the O2E Equipment. O2E is not diverting organic material from offsite processing at the composting facilities.

Table 4

<table>
<thead>
<tr>
<th>MY2023 SBWMA PROGRAM EXPENDITURES</th>
<th>FY2023 Adopted Budget</th>
<th>MY2023 Budget Update</th>
<th>Variance to 2023 Adopted Budget</th>
<th>Variance %</th>
<th>FY2024 Forecast Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Expense</td>
<td>$3,097,681</td>
<td>$2,966,259</td>
<td>(131,422)</td>
<td>-4%</td>
<td>$3,310,189</td>
</tr>
<tr>
<td>Member Agency Support &amp; Contract Compliance</td>
<td>569,000</td>
<td>342,000</td>
<td>(227,000)</td>
<td>-40%</td>
<td>407,000</td>
</tr>
<tr>
<td>State Mandated Public Education &amp; Outreach</td>
<td>720,000</td>
<td>700,900</td>
<td>(19,100)</td>
<td>-3%</td>
<td>704,700</td>
</tr>
<tr>
<td>SB1383 Expenses</td>
<td>1,180,228</td>
<td>1,180,415</td>
<td>187</td>
<td>0%</td>
<td>581,708</td>
</tr>
<tr>
<td>Total SBWMA Program Expense:</td>
<td>$5,566,909</td>
<td>$5,189,574</td>
<td>(377,335)</td>
<td>-7%</td>
<td>$5,003,597</td>
</tr>
<tr>
<td>Total Shoreway Operations:</td>
<td>52,622,354</td>
<td>52,503,909</td>
<td>(118,445)</td>
<td>0%</td>
<td>66,006,515</td>
</tr>
<tr>
<td>Total Expenses:</td>
<td>$58,189,263</td>
<td>$57,693,483</td>
<td>(495,780)</td>
<td>-1%</td>
<td>$71,010,113</td>
</tr>
</tbody>
</table>
Table 5

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>FY2023 Adopted Budget</th>
<th>MY2023 Budget Update</th>
<th>Variance to 2023 Adopted Budget</th>
<th>Variance %</th>
<th>FY2024 Forecast Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBR Compensation</td>
<td>$20,819,899</td>
<td>$20,235,113</td>
<td>$(584,786)</td>
<td>-3%</td>
<td>$31,279,932</td>
</tr>
<tr>
<td>Disposal and Processing</td>
<td>$23,547,649</td>
<td>$24,318,293</td>
<td>770,644</td>
<td>3%</td>
<td>$25,911,059</td>
</tr>
<tr>
<td>Property Insurance</td>
<td>$2,200,000</td>
<td>$2,200,000</td>
<td>-</td>
<td>0%</td>
<td>$2,300,000</td>
</tr>
<tr>
<td>Education Center</td>
<td>$100,000</td>
<td>$35,000</td>
<td>$(65,000)</td>
<td>-65%</td>
<td>$75,000</td>
</tr>
<tr>
<td>Credit Cards Charge</td>
<td>74,920</td>
<td>74,920</td>
<td>-</td>
<td>0%</td>
<td>74,920</td>
</tr>
<tr>
<td>Other Operating Expense</td>
<td>582,220</td>
<td>582,220</td>
<td>-</td>
<td>0%</td>
<td>610,000</td>
</tr>
<tr>
<td>Sewer Charge</td>
<td>107,351</td>
<td>107,351</td>
<td>-</td>
<td>0%</td>
<td>107,351</td>
</tr>
<tr>
<td>Shoreway Projects</td>
<td>535,000</td>
<td>300,000</td>
<td>$(235,000)</td>
<td>-44%</td>
<td>475,000</td>
</tr>
<tr>
<td><strong>Shoreway Operations:</strong></td>
<td><strong>$47,967,039</strong></td>
<td><strong>$47,852,897</strong></td>
<td><strong>$(114,142)</strong></td>
<td>0%</td>
<td><strong>$60,833,262</strong></td>
</tr>
<tr>
<td>Bond Interest Expense</td>
<td>2,172,917</td>
<td>2,172,917</td>
<td>-</td>
<td>0%</td>
<td>2,105,500</td>
</tr>
<tr>
<td>Franchise Fee (San Carlos)</td>
<td>2,482,398</td>
<td>2,478,095</td>
<td>$(4,303)</td>
<td>0%</td>
<td>3,067,753</td>
</tr>
<tr>
<td><strong>Total Shoreway Operations</strong></td>
<td><strong>$52,622,354</strong></td>
<td><strong>$52,503,909</strong></td>
<td><strong>$(118,445)</strong></td>
<td>0%</td>
<td><strong>$66,006,515</strong></td>
</tr>
</tbody>
</table>

Capital Spending
The capital spending budget remains consistent with the Adopted Budget.

Reserve Balances
Table 6 below captures the Mid-Year reserve balance projections for FY2023 compared to the Adopted Budget reserve balance. The change from the Adopted Budget is merely the difference in projected Net Revenue and Expense.

Table 6

<table>
<thead>
<tr>
<th>FY2023 BUDGET: RESERVE BALANCES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UNCOMMITTED RESERVE:</strong></td>
</tr>
<tr>
<td>RATE STABILIZATION (9% of expense)</td>
</tr>
<tr>
<td>EMERGENCY RESERVE (9% of expense)</td>
</tr>
<tr>
<td>SELF INSURANCE FUNDING ACCOUNT</td>
</tr>
<tr>
<td><strong>CAPITAL RESERVE</strong></td>
</tr>
<tr>
<td><strong>UNDESIGNATED RESERVE</strong></td>
</tr>
<tr>
<td><strong>TOTAL UNCOMMITTED RESERVES</strong></td>
</tr>
<tr>
<td><strong>COMMITTED RESERVE</strong></td>
</tr>
<tr>
<td>EQUIPMENT REPLACEMENT (ANNUAL)</td>
</tr>
<tr>
<td><strong>TOTAL RESERVES</strong></td>
</tr>
<tr>
<td>SHOREWAY REMEDIATION PROJECT</td>
</tr>
</tbody>
</table>

Bond Project Fund Balance is currently $12 million
**2024 Forecasted Tip Fees**

Tipping fees are an essential component of 2024 Member Agency Annual Revenue Requirement which is typically calculated and approved by the Board at the September Board Meeting in conjunction with the approval of Recology’s Annual Compensation Adjustment Application. The 2024 Forecasted tipping fees are on Table 7 below. The Board typically approves the actual tip fees at the September Board Meeting.

The 2024 forecasted tip fees have increased to cover an approximately $13 million increase in costs. $11 million of the increase is driven by the new Operating Agreement with South Bay Industries (SBI) commencing on January 1, 2024. **The increased cost basis to SBI in 2024 has been projected to increase ratepayer rates by 8 to 10% since the SBWMA received the Operating Agreement RFP responses back last fall. At that time, Staff strongly recommended that each member agency adopt a two-step adjustment strategy while setting their 2023 and 2024 rates. The first recommended step was to add 3-5% adjustment to their 2023 rates above their contractually prescribed routine CPI adjustments. The second recommended step was to plan for an additional 3-5% adjustment above their contractually prescribed routine CPI adjustments in 2024 rates.**

At this time the 8-10% step-up in costs are still tracking as originally projected.

- The Current Operating Agreement with South Bay Recycling (SBR) will expire on December 31, 2023. There was no contractual mechanism available to extend the Current Agreement beyond the 2023 term, therefore, a new agreement was needed. To prepare for a successor agreement, on October 1, 2021, Staff issued a Request for Qualifications (RFQ) for Operation of the SEC. In response, two proposals were received: one from the current operator, SBR, and the other from South Bayside Industries, Inc. (“SBI”), a corporate entity to be formed by Alameda County Industries, Inc. (“ACI”) for the purpose of operating the Shoreway Facility.

Parallel negotiation meetings with each proposer began in July 2022 and concluded in October 2022. Staff completed seven rounds of negotiations with each proposer, for a total of fourteen meetings. After much consideration Staff has concluded, based on the unique strengths of the proposal, key contract terms, cost proposal, and estimated rate impacts, that the ACI/SBI proposal offers the SBWMA the best overall value, and therefore recommends that the Board approve the Agreement for Operation of the SEC (“Agreement”) to ACI/SBI for a twelve-year period, commencing on January 1, 2024 through December 31, 2035.

The Board of Directors approved the new Operating Agreement with SBI at it's November 17th, 2022, meeting.

**Operating Agreement Cost Increases**

Both Proposers presented proposal that would significantly increase costs over the costs in the Current Agreement. Notable cost drivers include:

- Desire for increased profit level significantly above the current profit level of approximately 8%, due to pricing for risks associated with the current environment
• Significant increase in headcount also resulting in associated wage/benefit increases. SBI proposed 112.5 headcount, which is approximately 16 heads more than the current operation.
• Alignment of wages and benefits to match current rates in the Local 350 Collective Bargaining Agreements (CBAs)
• Labor cost increases due to increased staff tenure
• Depreciation cost increases reflecting purchase of new facility rolling stock and equipment
• Operation and maintenance costs reset since historical compensation indices did not keep pace with actual costs
• Repair and maintenance cost increases due to aging equipment at the SEC
• Fuel cost reset since historical compensation indices did not keep pace with actual price
• Stormwater capital improvement allowance/funding for future related infrastructure projects
• Mandated quarterly SB 1383 sampling costs to comply with regulations
• Pricing reflecting current risks (e.g., inflation, labor market, commodity markets, supply chain)

• Disposal and processing are projected to increase in 2024 over 2023 by $1.5 million (6.2%). The increase is mostly attributable to a 4% increase in disposal and processing rates. The remaining increase is due to the new SBI contract that will calculate MRF residue disposal (paid by the contractor) at a reduced rate than the current operations contract.
• Franchise fees paid to the City of San Carlos are calculated to increase $600K due to the increased tip fees. The SBWMA is contractually obligated to remit 5% of all tip fees collected to the City of San Carlos.

Table 7

<table>
<thead>
<tr>
<th>Franchise Tip Fees / Ton</th>
<th>Actual 7/1/2020</th>
<th>Actual 1/1/2021</th>
<th>Actual 1/1/2022</th>
<th>Actual 1/1/2023</th>
<th>Proposed 1/1/2024</th>
<th>24 vs 23 $</th>
<th>24 vs 23 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste</td>
<td>$121.00</td>
<td>$127.00</td>
<td>$130.00</td>
<td>$139.00</td>
<td>$173.75</td>
<td>$34.75</td>
<td>25.0%</td>
</tr>
<tr>
<td>Green Waste</td>
<td>$126.00</td>
<td>$139.00</td>
<td>$143.00</td>
<td>$150.00</td>
<td>$187.50</td>
<td>$37.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>Food</td>
<td>$141.00</td>
<td>$141.00</td>
<td>$144.00</td>
<td>$150.00</td>
<td>$187.50</td>
<td>$37.50</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3rd Party / Ton</th>
<th>Actual 7/1/2020</th>
<th>Actual 1/1/2021</th>
<th>Actual 1/1/2022</th>
<th>Actual 1/1/2023</th>
<th>Proposed 1/1/2024</th>
<th>24 vs 23 $</th>
<th>24 vs 23 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste</td>
<td>$127.00</td>
<td>$133.00</td>
<td>$135.00</td>
<td>$150.00</td>
<td>$187.50</td>
<td>$37.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>Green Waste</td>
<td>$128.00</td>
<td>$140.00</td>
<td>$143.00</td>
<td>$150.00</td>
<td>$187.50</td>
<td>$37.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>Food</td>
<td>$141.00</td>
<td>$141.00</td>
<td>$144.00</td>
<td>$152.00</td>
<td>$190.00</td>
<td>$38.00</td>
<td>25.0%</td>
</tr>
<tr>
<td>C&amp;D</td>
<td>$121.00</td>
<td>$127.00</td>
<td>$130.00</td>
<td>$142.00</td>
<td>$177.50</td>
<td>$35.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>Asphalt Roofing</td>
<td>$123.00</td>
<td>$128.00</td>
<td>$131.00</td>
<td>$136.00</td>
<td>$170.00</td>
<td>$34.00</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public Dirt / Ton</th>
<th>Actual 7/1/2020</th>
<th>Actual 1/1/2021</th>
<th>Actual 1/1/2022</th>
<th>Actual 1/1/2023</th>
<th>Proposed 1/1/2024</th>
<th>24 vs 23 $</th>
<th>24 vs 23 %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$115.00</td>
<td>$117.00</td>
<td>$119.00</td>
<td>$123.00</td>
<td>$153.75</td>
<td>$30.75</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public Tip Fees / Yd</th>
<th>Actual 7/1/2020</th>
<th>Actual 1/1/2021</th>
<th>Actual 1/1/2022</th>
<th>Actual 1/1/2023</th>
<th>Proposed 1/1/2024</th>
<th>24 vs 23 $</th>
<th>24 vs 23 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solid Waste</td>
<td>$46.00</td>
<td>$48.00</td>
<td>$49.00</td>
<td>$54.00</td>
<td>$67.50</td>
<td>$13.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>Green Waste</td>
<td>$42.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$50.00</td>
<td>$62.50</td>
<td>$12.50</td>
<td>25.0%</td>
</tr>
<tr>
<td>C&amp;D</td>
<td>$46.00</td>
<td>$48.00</td>
<td>$49.00</td>
<td>$52.00</td>
<td>$65.00</td>
<td>$13.00</td>
<td>25.0%</td>
</tr>
</tbody>
</table>
**Fiscal Impact**
The Mid-Year Budget for FY2023 shows a net revenue and expense of $1.2 million which is $.4 million higher than the Approved FY2023 Budget.

**Chart 1** below illustrates the Budgeted Expense as a Percentage of the Total Waste System. The SBWMA Budget does not include the cost of Recology's collection services or Member Agency imposed fees. The total SBWMA waste system revenue covering all costs, including Recology and Member Fees, is over $140 million.

**SBWMA FY2023 Budget Expense as Percent of Total Waste System Expense**

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**Attachments:**
Resolution 2023-27
Attachment A – Mid-Year 2023 Budget Worksheets
Attachment B – Mid-Year 2023 Budget Tables
RESOLUTION NO. 2023-27

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS
ACCEPTING MID-YEAR REVIEW OF FY2023 ANNUAL OPERATING BUDGET AND APPROVING THE 2024 OPERATING BUDGET FORECAST

WHEREAS, the South Bayside Waste Management Authority proposed FY2023 budget adjustments as presented provide sufficient funds for normal operations, and

WHEREAS, the South Bayside Waste Management Authority proposed FY2024 budget forecast as presented provide sufficient funds for normal operations and projects tipping fees for calculating the 2024 Member Agency Revenue Requirement

NOW THEREFORE, BE IT RESOLVED, the South Bayside Waste Management Authority hereby approves the adjustments to the fiscal year 2023 operating budget and the FY2024 budget forecast.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of June 2023, by the following vote:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Redwood City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burlingame</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>San Carlos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Palo Alto</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>San Mateo</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Foster City</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>County of San Mateo</td>
<td></td>
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</tr>
<tr>
<td>Hillsborough</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>West Bay Sanitary Dist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menlo Park</td>
<td></td>
<td></td>
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<td></td>
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<td></td>
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</tr>
</tbody>
</table>

I HEREBY CERTIFY that the foregoing Resolution No. 2023-27 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.

ATTEST:  
Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board
<table>
<thead>
<tr>
<th>REVENUE SUMMARY</th>
<th>ADOPTED BUDGET FY2023</th>
<th>MID YEAR UPDATE FY2023</th>
<th>Variance to Adopted Budget</th>
<th>Variance % to Adopted Budget</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ADMINISTRATIVE REVENUE:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 INVESTMENT INCOME</td>
<td>$ 236,192</td>
<td>$ 800,000</td>
<td>$ 563,808</td>
<td>260.8%</td>
<td>Investment returns stronger with interest rates</td>
</tr>
<tr>
<td>3 TOTAL ADMINISTRATIVE</td>
<td>$ 236,192</td>
<td>$ 800,000</td>
<td>$ 563,808</td>
<td>260.8%</td>
<td></td>
</tr>
<tr>
<td>4 OPERATIONS REVENUE:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 SHOREWAY TIP FEES - Non Franchised</td>
<td>$ 12,455,833</td>
<td>$ 12,436,084</td>
<td>(19,749)</td>
<td>-0.2%</td>
<td></td>
</tr>
<tr>
<td>6 SHOREWAY TIP FEES - Franchised</td>
<td>39,673,491</td>
<td>39,602,870</td>
<td>(70,622)</td>
<td>-0.2%</td>
<td></td>
</tr>
<tr>
<td>7 COMMODITY SALES REVENUE</td>
<td>7,230,821</td>
<td>6,465,429</td>
<td>(765,392)</td>
<td>-9.8%</td>
<td>Volume has declined. Markets remain weak</td>
</tr>
<tr>
<td>8 COMMODITY REVENUE SHARING W/ SBR</td>
<td>(634,853)</td>
<td>(443,505)</td>
<td>191,348</td>
<td>-24.6%</td>
<td></td>
</tr>
<tr>
<td>9 MISCELLANEOUS REVENUE</td>
<td>17,003</td>
<td>17,842</td>
<td>840</td>
<td>2.8%</td>
<td>Mattress rebate revenue</td>
</tr>
<tr>
<td>10 SUBTOTAL OPERATIONS REVENUE</td>
<td>$ 58,742,295</td>
<td>$ 58,078,719</td>
<td>(663,575)</td>
<td>-1.2%</td>
<td></td>
</tr>
<tr>
<td>11 TOTAL REVENUE</td>
<td>$ 58,978,487</td>
<td>$ 58,878,719</td>
<td>(99,767)</td>
<td>-0.2%</td>
<td></td>
</tr>
<tr>
<td>12 TOTAL OPERATING EXPENSES</td>
<td>$ 58,189,263</td>
<td>$ 57,693,483</td>
<td>(495,780)</td>
<td>-0.9%</td>
<td></td>
</tr>
<tr>
<td>13 NET OPERATING</td>
<td>$ 789,224</td>
<td>$ 1,185,237</td>
<td>$ 396,013</td>
<td>21.2%</td>
<td></td>
</tr>
<tr>
<td>Line</td>
<td>EXPENDITURE SUMMARY</td>
<td>ADOPTED BUDGET FY2023</td>
<td>MID-YEAR BUDGET FY2023</td>
<td>Variance to Adopted Budget</td>
<td>Variance % to Adopted Budget</td>
</tr>
<tr>
<td>------</td>
<td>---------------------</td>
<td>------------------------</td>
<td>------------------------</td>
<td>---------------------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>1</td>
<td>ADMINISTRATIVE EXPENSES</td>
<td>$876,645</td>
<td>$895,050</td>
<td>$18,405</td>
<td>2.0%</td>
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<tr>
<td>2</td>
<td>MANDATED RECYCLING STAFF</td>
<td>$1,451,525</td>
<td>$1,323,099</td>
<td>($128,426)</td>
<td>-8.8%</td>
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<tr>
<td>3</td>
<td>BOARD COUNSEL</td>
<td>$175,000</td>
<td>$155,000</td>
<td>($20,000)</td>
<td>-11.4%</td>
</tr>
<tr>
<td>4</td>
<td>BOARD MEETINGS</td>
<td>$10,000</td>
<td>$16,000</td>
<td>$6,000</td>
<td>60.0%</td>
</tr>
<tr>
<td>5</td>
<td>ACCOUNTING SERVICES</td>
<td>$136,451</td>
<td>$136,451</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>6</td>
<td>INFORMATION SYSTEMS</td>
<td>$47,100</td>
<td>$47,100</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>7</td>
<td>WEBSITE</td>
<td>$13,000</td>
<td>$15,000</td>
<td>$2,000</td>
<td>15.4%</td>
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<tr>
<td>8</td>
<td>BOARD COUNSEL</td>
<td>$7,200</td>
<td>$7,200</td>
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<td>0.0%</td>
</tr>
<tr>
<td>9</td>
<td>PRINTING AND POSTAGE</td>
<td>$28,000</td>
<td>$28,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>10</td>
<td>OFFICE SUPPLIES</td>
<td>$5,000</td>
<td>$600 (4,400)</td>
<td>($420)</td>
<td>-88.0%</td>
</tr>
<tr>
<td>11</td>
<td>OFFICE EQUIPMENT COSTS</td>
<td>$18,000</td>
<td>$12,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>12</td>
<td>PUBLICATIONS &amp; PUBLIC NOTICES</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>13</td>
<td>PROFESSIONAL DUES &amp; MEMBERSHIPS</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>14</td>
<td>VEHICLE MILEAGE &amp; TOLLS</td>
<td>$3,000</td>
<td>$3,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>15</td>
<td>CELL PHONES</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>16</td>
<td>CONFERENCE &amp; MEETINGS</td>
<td>$19,000</td>
<td>$19,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>17</td>
<td>TRAINING</td>
<td>$9,000</td>
<td>$9,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>18</td>
<td>SPONSORSHIPS &amp; DONATIONS</td>
<td>$40,000</td>
<td>$40,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>19</td>
<td>LEGISLATIVE &amp; REGULATORY ADVOCACY</td>
<td>$72,000</td>
<td>$72,000</td>
<td>$0.0</td>
<td>0.0%</td>
</tr>
<tr>
<td>20</td>
<td>COMPUTER PURCHASE</td>
<td>$25,000</td>
<td>$20,000</td>
<td>($5,000)</td>
<td>-20.0%</td>
</tr>
<tr>
<td>21</td>
<td>TOTAL ADMINISTRATIVE</td>
<td>$3,097,681</td>
<td>$2,966,259</td>
<td>($131,422)</td>
<td>-4.2%</td>
</tr>
<tr>
<td>22</td>
<td>MEMBERSHIP AGENCY SUPPORT &amp; CONTRACT COMPLIANCE</td>
<td>$27,000</td>
<td>($27,000)</td>
<td>$0.0</td>
<td>0.0%</td>
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<tr>
<td>23</td>
<td>FACILITY IMPROVEMENT OVERSIGHT</td>
<td>$150,000</td>
<td>$100,000</td>
<td>($50,000)</td>
<td>-33.3%</td>
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<tr>
<td>24</td>
<td>CONTRACT ANNUAL AUDITING</td>
<td>$45,000</td>
<td>$45,000</td>
<td>$0.0</td>
<td>0.0%</td>
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<tr>
<td>25</td>
<td>COLLECTION SERVICES FRANCHISE ADMIN.</td>
<td>$75,000</td>
<td>$35,000</td>
<td>($40,000)</td>
<td>-62.3%</td>
</tr>
<tr>
<td>26</td>
<td>FINANCE ANALYSIS SUPPORT</td>
<td>$22,000</td>
<td>$12,000</td>
<td>($10,000)</td>
<td>-45.5%</td>
</tr>
<tr>
<td>27</td>
<td>RECYCLING TECHNICAL ASSISTANCE</td>
<td>$50,000</td>
<td>$25,000</td>
<td>($25,000)</td>
<td>-50.0%</td>
</tr>
<tr>
<td>28</td>
<td>WASTE CHARACTERIZATION SUPPORT</td>
<td>$100,000</td>
<td>$75,000</td>
<td>($25,000)</td>
<td>-25.0%</td>
</tr>
<tr>
<td>29</td>
<td>COLLECTION RFP CONSULTING SUPPORT</td>
<td>$100,000</td>
<td>$50,000</td>
<td>($50,000)</td>
<td>-50.0%</td>
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<tr>
<td>30</td>
<td>TOTAL MA SUPPORT &amp; CONTRACT COMPLIANCE</td>
<td>$569,000</td>
<td>$342,000</td>
<td>($227,000)</td>
<td>-39.9%</td>
</tr>
</tbody>
</table>

5/31/2023
3:41 PM

2023 MY Budget v3

Expenses - Pages 2 of 5
<table>
<thead>
<tr>
<th>Line</th>
<th>EXPENDITURE SUMMARY</th>
<th>ADOPTED BUDGET FY2023</th>
<th>MID-YEAR BUDGET FY2023</th>
<th>Variance to Adopted Budget</th>
<th>Variance % to Adopted Budget</th>
<th>2023 Notes</th>
<th>FORECAST BUDGET FY2024</th>
</tr>
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<tbody>
<tr>
<td>38</td>
<td>STATE MANDATED PUBLIC EDUCATION &amp; OUTREACH</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39</td>
<td>STATE’S REQUIRED ANNUAL REPORTS</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
<td>#DIV/0!</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>SBWMA ANNUAL REPORT</td>
<td>2,500</td>
<td>3,400</td>
<td>900</td>
<td>36.0%</td>
<td>Creation of SBWMA annual report</td>
<td>3,200</td>
</tr>
<tr>
<td>41</td>
<td>DIVERSION PROGRAM SUPPORT</td>
<td>30,000</td>
<td>20,000</td>
<td>(10,000)</td>
<td>-33.3%</td>
<td>Public spaces recycling assistance; Diversion program support</td>
<td>30,000</td>
</tr>
<tr>
<td>42</td>
<td>EVENT GIVEAWAYS</td>
<td>7,500</td>
<td>7,500</td>
<td>-</td>
<td>0.0%</td>
<td></td>
<td>7,500</td>
</tr>
<tr>
<td>43</td>
<td>DIVERSION/COMPLIANCE; ZERO WASTE PROGRAMS</td>
<td>75,000</td>
<td>75,000</td>
<td>-</td>
<td>0.0%</td>
<td>Zero Waste Committee initiatives - tech and consulting support. Alternative fuel site infrastructure consulting</td>
<td>75,000</td>
</tr>
<tr>
<td>44</td>
<td>IN-SCHOOL ENVIRONMENTAL EDUCATION</td>
<td>28,000</td>
<td>28,000</td>
<td>-</td>
<td>0.0%</td>
<td>Materials ($13K), transportation ($1K), school recognitions ($4K), staff/technical support ($15K)</td>
<td>28,000</td>
</tr>
<tr>
<td>45</td>
<td>CLIMATE ACTION PLANNING</td>
<td>20,000</td>
<td>10,000</td>
<td>(10,000)</td>
<td>-50.0%</td>
<td>Member Agency support</td>
<td>10,000</td>
</tr>
<tr>
<td>46</td>
<td>RECYCLING TECHNICAL ASSISTANCE</td>
<td>30,000</td>
<td>20,000</td>
<td>(10,000)</td>
<td>-33.3%</td>
<td>Promote resalables for businesses and County Foodware Ordinance; Recycling Technical Assistance</td>
<td>30,000</td>
</tr>
<tr>
<td>47</td>
<td>COMMERCIAL/MFD CONTAINERS</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td>0.0%</td>
<td>MFD recycle bags, internal containers, MA containers per Franchise Agreements.</td>
<td>34,000</td>
</tr>
<tr>
<td>48</td>
<td>MULTI-FAMILY OUTREACH</td>
<td>90,000</td>
<td>90,000</td>
<td>-</td>
<td>0.0%</td>
<td>Education and outreach per FA; compliance with state laws; MFD Toolkit updates and printing, and other outreach</td>
<td>90,000</td>
</tr>
<tr>
<td>49</td>
<td>MEMBER AGENCY &amp; RATE PAYER EDUCATION</td>
<td>140,000</td>
<td>140,000</td>
<td>-</td>
<td>0.0%</td>
<td>Misc. expenses</td>
<td>120,000</td>
</tr>
<tr>
<td>50</td>
<td>RESIDENTIAL OUTREACH PROGRAMS</td>
<td>90,000</td>
<td>90,000</td>
<td>-</td>
<td>0.0%</td>
<td>Education and outreach per FA, Pub Ed Plan and recycling outreach campaign</td>
<td>90,000</td>
</tr>
<tr>
<td>51</td>
<td>COMMUNITY EVENTS</td>
<td>37,000</td>
<td>37,000</td>
<td>-</td>
<td>0.0%</td>
<td>Earth Day ($7K), Retrunk Recycling Day ($7K), Food Citlacs ($25K), tabling event supplies and materials and virtual event/webinar ($3K)</td>
<td>37,000</td>
</tr>
<tr>
<td>52</td>
<td>HHW PROGRAM OUTREACH</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td>0.0%</td>
<td>Annual promotion of local HHW disposal options for all ratepayers, including joint outreach with San Mateo County</td>
<td>20,000</td>
</tr>
<tr>
<td>53</td>
<td>BATTERY OUTREACH</td>
<td>90,000</td>
<td>90,000</td>
<td>-</td>
<td>0.0%</td>
<td>Educate residents and businesses about risk of battery fires and proper disposal options, including MFD battery bucket, Shred, e-waste, and compost events for Member Agencies (coordination, support, outreach, etc.). Shred vendor RFP</td>
<td>90,000</td>
</tr>
<tr>
<td>54</td>
<td>SHRED EVENT SERVICE</td>
<td>30,000</td>
<td>40,000</td>
<td>10,000</td>
<td>33.3%</td>
<td>Recology will reimburse up to $1,275 (FY2023) for the first event and remainder is billed to MA</td>
<td>40,000</td>
</tr>
<tr>
<td>55</td>
<td>TOTAL STATE MANDATED PUBLIC EDUCATION &amp; OUTREACH</td>
<td>$ 720,000</td>
<td>$ 700,900</td>
<td>(19,100)</td>
<td>-2.7%</td>
<td></td>
<td>$ 704,700</td>
</tr>
<tr>
<td>56</td>
<td>SBWMA PROGRAM BUDGET - SUB TOTAL</td>
<td>$ 4,386,681</td>
<td>$ 4,009,159</td>
<td>(377,522)</td>
<td>-8.6%</td>
<td></td>
<td>$ 4,421,889</td>
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<tr>
<td>57</td>
<td>SB1383 ADMINISTRATIVE EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>58</td>
<td>MANDATED 1383 COMPLIANCE STAFF</td>
<td>$ 146,228</td>
<td>$ 176,415</td>
<td>30,187</td>
<td>20.6%</td>
<td>SB1383 Program Management. Moved 50% of one fellow supporting SB1383 to this line</td>
<td>181,708</td>
</tr>
<tr>
<td>59</td>
<td>SB1383 TECHNICAL ASSISTANCE</td>
<td>100,000</td>
<td>85,000</td>
<td>(15,000)</td>
<td>-15.0%</td>
<td>FY 2023: SB 1383 Legal Counsel Support; $40k Annual Reporting Consultant; 1383 Consulting</td>
<td>85,000</td>
</tr>
<tr>
<td>60</td>
<td>SB1383 OUTREACH AND EDUCATION</td>
<td>100,000</td>
<td>75,000</td>
<td>(25,000)</td>
<td>-25.0%</td>
<td>FY 2023: $100k for Required Annual SB 1383 Outreach &amp; Education</td>
<td>75,000</td>
</tr>
<tr>
<td>61</td>
<td>SB1383 PROGRAMS</td>
<td>380,000</td>
<td>360,000</td>
<td>(20,000)</td>
<td>-5.3%</td>
<td>FY 2023: $95k Recyclist; $130k Edible Food Recovery; $40k Procurement Support; $20k Reporting; $50k Organics</td>
<td>180,000</td>
</tr>
<tr>
<td>62</td>
<td>SB1383 MANDATED MATERIAL SAMPLING</td>
<td>54,000</td>
<td>54,000</td>
<td>-</td>
<td>0.0%</td>
<td>Participation Analysis and other SB 1383 programming</td>
<td>50,000</td>
</tr>
<tr>
<td>63</td>
<td>ROUTE AUDITING, REPORTING, WAIVER PROCESSING</td>
<td>400,000</td>
<td>430,000</td>
<td>30,000</td>
<td>7.5%</td>
<td>Contracted consultant services for Waivers, Contamination Monitoring and Technical Assistance. Cost will transition to Recology for work performed by Zero Waste Team (RFP #2023-20)</td>
<td>40,000</td>
</tr>
<tr>
<td>64</td>
<td>TOTAL SB 1383 EXPENSES</td>
<td>$ 1,180,228</td>
<td>$ 1,180,413</td>
<td>187</td>
<td>0.0%</td>
<td></td>
<td>$ 561,706</td>
</tr>
<tr>
<td>65</td>
<td>TOTAL SBWMA PROGRAM BUDGET</td>
<td>$ 5,566,909</td>
<td>$ 5,189,574</td>
<td>(377,335)</td>
<td>-6.8%</td>
<td></td>
<td>$ 5,003,597</td>
</tr>
<tr>
<td>66</td>
<td>SHOREWAY OPERATIONS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>67</td>
<td>SHOREWAY OPERATING CONTRACT</td>
<td>$ 20,819,899</td>
<td>$ 20,235,113</td>
<td>(584,786)</td>
<td>-2.8%</td>
<td>Removed O2E Compensation to Contractor</td>
<td>$ 31,164,652</td>
</tr>
<tr>
<td>68</td>
<td>DISPOSAL</td>
<td>23,547,649</td>
<td>24,318,293</td>
<td>770,644</td>
<td>3.3%</td>
<td>Removed O2E Diversion from FY2023</td>
<td>25,617,255</td>
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<tr>
<td>69</td>
<td>INSURANCE SHOREWAY</td>
<td>2,200,000</td>
<td>2,200,000</td>
<td>-</td>
<td>0.0%</td>
<td>Property insurance premium. Estimated increase.</td>
<td>2,300,000</td>
</tr>
</tbody>
</table>
## EXPENDITURE SUMMARY

<table>
<thead>
<tr>
<th>Line</th>
<th>Description</th>
<th>ADOPTED BUDGET FY2023</th>
<th>MID-YEAR BUDGET FY2023</th>
<th>Variance to Adopted Budget</th>
<th>Variance % to Adopted Budget</th>
<th>2023 Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>71</td>
<td>SHOREWAY FACILITY COST</td>
<td>250,000</td>
<td>250,000</td>
<td>-</td>
<td>0.0%</td>
<td>200,000</td>
</tr>
<tr>
<td>72</td>
<td>CREDIT CARDS CHARGES</td>
<td>74,920</td>
<td>74,920</td>
<td>-</td>
<td>0.0%</td>
<td>74,925</td>
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<tr>
<td>73</td>
<td>SHOREWAY CHARGES</td>
<td>22,220</td>
<td>22,220</td>
<td>-</td>
<td>0.0%</td>
<td>-</td>
</tr>
<tr>
<td>74</td>
<td>EDUCATION CENTER OPERATIONS</td>
<td>100,000</td>
<td>35,000</td>
<td>(65,000)</td>
<td>-65.0%</td>
<td>Center upgrades will be capitalized ($65K)</td>
</tr>
<tr>
<td>75</td>
<td>SHOREWAY MF EQUIP. MAINTENANCE &gt; $10k</td>
<td>150,000</td>
<td>150,000</td>
<td>-</td>
<td>0.0%</td>
<td>200,000</td>
</tr>
<tr>
<td>76</td>
<td>SEWER FEES (PROPERTY TAX)</td>
<td>107,351</td>
<td>107,351</td>
<td>-</td>
<td>0.0%</td>
<td>107,351</td>
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<tr>
<td>77</td>
<td>E-RECYCLING</td>
<td>110,000</td>
<td>110,000</td>
<td>-</td>
<td>0.0%</td>
<td>110,000</td>
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<tr>
<td>78</td>
<td>O2E EQUIPMENT MAINTENANCE</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
<td>0.0%</td>
<td>100,000</td>
</tr>
<tr>
<td>79</td>
<td>FACILITY MASTER PLANNING PROJECT</td>
<td>200,000</td>
<td>100,000</td>
<td>(100,000)</td>
<td>-100.0%</td>
<td>Transition into year one of a multi-year Master Planning process</td>
</tr>
<tr>
<td>80</td>
<td>O2E PILOT TESTING</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-100.0%</td>
<td>250,000</td>
</tr>
<tr>
<td>81</td>
<td>MF-PHASE II INITIAL ASSESSMENT STUDIES</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-100.0%</td>
<td>RFP preparation, market assessment, system optimization consulting, contract preparation</td>
</tr>
<tr>
<td>82</td>
<td>CONSULTING AND OUTSIDE SUPPORT</td>
<td>150,000</td>
<td>100,000</td>
<td>(50,000)</td>
<td>-33.3%</td>
<td>TRP permit updating, SLCP Modeling, ZWC planning, GHG Assessment</td>
</tr>
<tr>
<td>83</td>
<td>OPERATION CONTRACT TRANSITION</td>
<td>185,000</td>
<td>100,000</td>
<td>(85,000)</td>
<td>-46.9%</td>
<td>Site pressure washing and cleaning, MRF Operations transition engineering support</td>
</tr>
<tr>
<td>84</td>
<td>SUB SHOREWAY OPERATIONS COST</td>
<td>47,967,039</td>
<td>47,852,897</td>
<td>(114,142)</td>
<td>-0.2%</td>
<td>60,624,178</td>
</tr>
<tr>
<td>85</td>
<td>TOTAL SHOREWAY OPERATION</td>
<td>47,967,039</td>
<td>47,852,897</td>
<td>(114,142)</td>
<td>-0.2%</td>
<td>60,624,178</td>
</tr>
<tr>
<td>86</td>
<td>TOTAL OPERATING EXPENSEES</td>
<td>53,533,948</td>
<td>53,042,471</td>
<td>(491,477)</td>
<td>-0.9%</td>
<td>65,627,776</td>
</tr>
<tr>
<td>87</td>
<td>NON-OPERATING EXPENSES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5,173,253</td>
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<tr>
<td>88</td>
<td>BOND ISSUANCE &amp; LOSS ON DEBT REFUNDING</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>89</td>
<td>DEBT SERVICE BOND INTEREST</td>
<td>2,172,917</td>
<td>2,172,917</td>
<td>-</td>
<td>0.0%</td>
<td>2,105,500</td>
</tr>
<tr>
<td>90</td>
<td>FRANCHISE FEE TO CITY OF SAN CARLOS</td>
<td>2,482,398</td>
<td>2,478,095</td>
<td>(4,303)</td>
<td>-0.2%</td>
<td>3,067,753</td>
</tr>
<tr>
<td>91</td>
<td>TOTAL NON-OPERATING EXPENSES</td>
<td>4,655,315</td>
<td>4,651,012</td>
<td>(4,303)</td>
<td>-0.1%</td>
<td></td>
</tr>
<tr>
<td>92</td>
<td>TOTAL EXPENSES</td>
<td>58,189,263</td>
<td>57,693,483</td>
<td>(495,780)</td>
<td>-0.9%</td>
<td>70,801,029</td>
</tr>
</tbody>
</table>

2023 MY Budget v3 Expenses - Pages 4 of 5

5/31/2023 3:41 PM
| Table B.1 |  |
|----------|  |
| **TIP FEE REVENUE** |  |
| FY2022 Adopted Budget | FY2023 Adopted Budget | FY2023 Mid-Year Budget | Mid-Year vs. Adopted | Variance % |
| Franchise Revenue |  |
| Tons |  |
| Wtd Avg. Tip Fee | $134.56 | $142.80 | $142.95 | 0.15 | 0.1% |
| Franchise Revenue | $36,227,327 | $39,673,491 | $39,602,870 | (70,622) | -0.2% |
| Public Revenue |  |
| Cu/Yards |  |
| Wtd Avg. Tip Fee | $50.92 | $53.91 | $53.70 | 0.21 | -0.4% |
| Public Revenue Cu/YDS | $9,280,959 | $9,795,861 | $9,255,496 | (540,365) | -5.5% |
| Tons (3rd party) |  |
| Wtd Avg. Tip Fee | $133.64 | $145.40 | $147.32 | 1.92 | 1.3% |
| Public Revenue on Tons | $1,163,128 | $1,348,465 | $1,926,577 | $578,112 | 42.9% |
| Public Dirt Tons |  |
| Wtd Avg. Tip Fee | $119.00 | $123.00 | $123.01 | 0.01 | 0.0% |
| Sub Total | $1,300,215 | $1,311,507 | $1,254,011 | (57,496) | -4.4% |
| Public Revenue Total | $11,744,301 | $12,455,833 | $12,436,084 | (19,749) | -0.2% |
| Total Tip Fee Revenue | $47,971,628 | $52,129,324 | $52,038,953 | (90,371) | -0.2% |
Table B.2

<table>
<thead>
<tr>
<th>Total TS Tonnage and Yards</th>
<th>FY2022 Adopted Budget</th>
<th>FY2023 Adopted Budget</th>
<th>FY2023 Mid-Year Budget</th>
<th>Mid-Year vs. Adopted Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Franchise tons</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SBWMA Solid Waste</td>
<td>tons 168,765</td>
<td>173,006</td>
<td>167,479</td>
<td>(5,527) -3%</td>
</tr>
<tr>
<td>SBWMA Organics</td>
<td>tons 83,533</td>
<td>81,551</td>
<td>85,784</td>
<td>4,233 5%</td>
</tr>
<tr>
<td>SBWMA Food Waste</td>
<td>tons 13,368</td>
<td>19,678</td>
<td>19,707</td>
<td>30 0%</td>
</tr>
<tr>
<td>SBWMA Dirt, Inert, Other</td>
<td>tons 3,567</td>
<td>3,596</td>
<td>4,073</td>
<td>477 13%</td>
</tr>
<tr>
<td>Sub-total Franchise</td>
<td>269,233</td>
<td>277,830</td>
<td>277,043</td>
<td>(787) -0.3%</td>
</tr>
<tr>
<td>Public tons</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-SBWMA SW</td>
<td>tons 3,607</td>
<td>4,321</td>
<td>4,323</td>
<td>2 0%</td>
</tr>
<tr>
<td>Non-SBWMA Scrap</td>
<td>tons 120</td>
<td>104</td>
<td>4</td>
<td>(100) -96%</td>
</tr>
<tr>
<td>Non-SBWMA FOOD</td>
<td>tons 948</td>
<td>1,022</td>
<td>1,155</td>
<td>134 13%</td>
</tr>
<tr>
<td>Non-SBWMA C&amp;D</td>
<td>tons 1,804</td>
<td>1,905</td>
<td>2,093</td>
<td>188 10%</td>
</tr>
<tr>
<td>Non-SBWMA ORGANIC</td>
<td>tons 403</td>
<td>360</td>
<td>4,161</td>
<td>3,801 1056%</td>
</tr>
<tr>
<td>Non-SBWMA Asphalt Roofing</td>
<td>tons 1,821</td>
<td>1,563</td>
<td>1,340</td>
<td>(222) -14%</td>
</tr>
<tr>
<td>Non-SBWMA Clean Wood</td>
<td>tons 0</td>
<td>0</td>
<td>0</td>
<td>- 0%</td>
</tr>
<tr>
<td>Public Weighed Dirt</td>
<td>tons 10,926</td>
<td>10,663</td>
<td>10,194</td>
<td>(468) -4%</td>
</tr>
<tr>
<td>Sub-total Public tons</td>
<td>19,630</td>
<td>19,937</td>
<td>23,272</td>
<td>3,335 17%</td>
</tr>
<tr>
<td>Total Tons</td>
<td>288,863</td>
<td>297,767</td>
<td>300,314</td>
<td>2,548 0.9%</td>
</tr>
<tr>
<td>Public Cu/Yds.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Solid Waste Yards</td>
<td>C/Yds. 70,683</td>
<td>69,585</td>
<td>62,164</td>
<td>(7,422) -11%</td>
</tr>
<tr>
<td>Public Green Waste Yards</td>
<td>C/Yds. 33,090</td>
<td>29,741</td>
<td>31,085</td>
<td>1,344 5%</td>
</tr>
<tr>
<td>Public C&amp;D</td>
<td>C/Yds. 78,509</td>
<td>92,376</td>
<td>79,108</td>
<td>(3,268) -4%</td>
</tr>
<tr>
<td>Total Cubic Yards</td>
<td>182,282</td>
<td>181,702</td>
<td>172,357</td>
<td>(9,345) -5.1%</td>
</tr>
</tbody>
</table>
### Table B.3

#### SBR OPERATING EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Adopted Budget</th>
<th>FY2023 Adopted Mid-Year Budget</th>
<th>Mid-Year vs. Adopted</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Summary</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MRF</td>
<td>$7,012,345</td>
<td>$7,185,025</td>
<td>$7,150,549</td>
<td>(34,476)</td>
</tr>
<tr>
<td>Transfer Station</td>
<td>$5,417,345</td>
<td>$5,660,203</td>
<td>$5,209,105</td>
<td>(451,097)</td>
</tr>
<tr>
<td>Transportation</td>
<td>$6,788,370</td>
<td>$7,974,671</td>
<td>$7,875,459</td>
<td>(99,212)</td>
</tr>
<tr>
<td>TOTAL SBR EXPENSE</td>
<td>$19,218,059</td>
<td>$20,819,899</td>
<td>$20,235,113</td>
<td>(584,786)</td>
</tr>
</tbody>
</table>

#### B. SBR Expense Detail

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Adopted Budget</th>
<th>FY2023 Adopted Mid-Year Budget</th>
<th>Mid-Year vs. Adopted</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>MRF</td>
<td>$6,820,345</td>
<td>$7,017,025</td>
<td>$6,982,549</td>
<td>(34,476)</td>
</tr>
<tr>
<td>Transfer Station</td>
<td>$4,757,345</td>
<td>$5,334,298</td>
<td>$5,209,105</td>
<td>(125,193)</td>
</tr>
<tr>
<td>O2E Processing &amp; Transport (net)</td>
<td>$660,000</td>
<td>$325,905</td>
<td>-</td>
<td>(325,905)</td>
</tr>
<tr>
<td>Transportation</td>
<td>$6,788,370</td>
<td>$7,974,671</td>
<td>$7,875,459</td>
<td>(99,212)</td>
</tr>
<tr>
<td>TOTAL SBR &quot;PAID&quot; TONS</td>
<td>744,418</td>
<td>762,132</td>
<td>763,679</td>
<td>1,547</td>
</tr>
<tr>
<td>TOTAL SBR EXPENSE</td>
<td>$19,218,059</td>
<td>$20,819,899</td>
<td>$20,235,113</td>
<td>(584,786)</td>
</tr>
</tbody>
</table>
### Table B.4

#### DISPOSAL & PROCESSING EXPENSE

<table>
<thead>
<tr>
<th></th>
<th>FY2022 Adopted Budget</th>
<th>FY2023 Adopted Budget</th>
<th>FY2023 Mid-Year Budget</th>
<th>Mid-Year vs. Adopted</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Summary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Waste</td>
<td>$11,226,118</td>
<td>$11,834,323</td>
<td>$11,771,494</td>
<td>$62,829</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Organics</td>
<td>$7,428,806</td>
<td>$8,855,175</td>
<td>$9,338,971</td>
<td>$483,796</td>
<td>5.5%</td>
</tr>
<tr>
<td>C&amp;D, dirt</td>
<td>$3,369,020</td>
<td>$3,403,006</td>
<td>$3,447,011</td>
<td>$44,005</td>
<td>1.3%</td>
</tr>
<tr>
<td>Other</td>
<td>$554,690</td>
<td>$550,670</td>
<td>$534,987</td>
<td>$(15,683)</td>
<td>-2.8%</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>$22,578,634</td>
<td>$24,643,174</td>
<td>$25,092,463</td>
<td>$449,289</td>
<td>1.8%</td>
</tr>
<tr>
<td>Paid by SBR on MRF residue</td>
<td>$(560,715)</td>
<td>$(585,839)</td>
<td>$(774,170)</td>
<td>$(188,331)</td>
<td>32.1%</td>
</tr>
<tr>
<td>O2E Diversion</td>
<td>$(469,917)</td>
<td>$(509,687)</td>
<td>-</td>
<td>$509,687</td>
<td>-100.0%</td>
</tr>
<tr>
<td><strong>TOTAL DISPOSAL EXPENSE</strong></td>
<td><strong>$21,548,002</strong></td>
<td><strong>$23,547,649</strong></td>
<td><strong>$24,318,293</strong></td>
<td><strong>$770,644</strong></td>
<td><strong>3.3%</strong></td>
</tr>
<tr>
<td><strong>B. Detail</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Solid Waste (Ox Mtn.)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tons, net</td>
<td>202,209</td>
<td>207,838</td>
<td>206,808</td>
<td>(1,031)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Wtd Avg. Rate</td>
<td>$55.52</td>
<td>$56.94</td>
<td>$56.92</td>
<td>(0.02)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Expense</td>
<td><strong>$11,226,118</strong></td>
<td><strong>$11,834,323</strong></td>
<td><strong>$11,771,494</strong></td>
<td><strong>$(62,829)</strong></td>
<td><strong>-0.5%</strong></td>
</tr>
<tr>
<td><strong>Organics (Newby, BVON)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tons, net</td>
<td>101,623</td>
<td>106,968</td>
<td>111,251</td>
<td>4,283</td>
<td>4.0%</td>
</tr>
<tr>
<td>Wtd Avg. Rate</td>
<td>$73.10</td>
<td>$82.78</td>
<td>$83.94</td>
<td>1.16</td>
<td>1.4%</td>
</tr>
<tr>
<td>Expense</td>
<td><strong>$7,428,806</strong></td>
<td><strong>$8,855,175</strong></td>
<td><strong>$9,338,971</strong></td>
<td><strong>$483,796</strong></td>
<td><strong>5.5%</strong></td>
</tr>
<tr>
<td><strong>C&amp;D (Zanker)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tons, net</td>
<td>41,940</td>
<td>40,902</td>
<td>40,649</td>
<td>(253)</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Wtd Avg. Rate</td>
<td>$80.33</td>
<td>$83.20</td>
<td>$84.80</td>
<td>1.60</td>
<td>1.9%</td>
</tr>
<tr>
<td>Expense</td>
<td><strong>$3,369,020</strong></td>
<td><strong>$3,403,006</strong></td>
<td><strong>$3,447,011</strong></td>
<td><strong>$44,005</strong></td>
<td><strong>1.3%</strong></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tires</td>
<td>$2,000</td>
<td>$7,829</td>
<td>$3,600</td>
<td>$(4,229)</td>
<td>-54.0%</td>
</tr>
<tr>
<td>Appliances</td>
<td>$60,560</td>
<td>$61,280</td>
<td>$53,160</td>
<td>$(8,120)</td>
<td>-13.3%</td>
</tr>
<tr>
<td>Hazardous Waste</td>
<td>$479,695</td>
<td>$463,436</td>
<td>$463,248</td>
<td>$(188)</td>
<td>0.0%</td>
</tr>
<tr>
<td>Sharps, Misc.</td>
<td>$12,435</td>
<td>$18,125</td>
<td>$14,979</td>
<td>$(3,146)</td>
<td>-17.4%</td>
</tr>
<tr>
<td>Expense</td>
<td><strong>$554,690</strong></td>
<td><strong>$550,670</strong></td>
<td><strong>$534,987</strong></td>
<td><strong>$(15,683)</strong></td>
<td><strong>-2.8%</strong></td>
</tr>
</tbody>
</table>
STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
       John Mangini, Senior Finance Manager
Date: June 22, 2022 Board of Directors Meeting
Subject: Resolution Approving the Facility Property Insurance Coverage/Premium for Policy Year 2023/2024

Recommendation
It is recommended that the SBWMA Board of Directors approve Resolution No. 2023-28 attached hereto authorizing the following action:

Approve and accept $65 million property insurance policy renewal coverage with a group of insurance companies for a total premium of $3,021,824 for the coverage period of July 1, 2023 to June 30, 2024 with a deductible of $1.5 million

Analysis
The SBWMA's property insurance policy has been marketed again by Risk Strategies in Burlingame covering the Agency-owned buildings and equipment at the Shoreway facility. Due to our class of business and the 2016 fire insurance claim, no one carrier is willing to carry the full requested insurance coverage of $65 million. Property coverage is now marketed in layers with various carriers assuming a portion of risk. In Policy Year 2021/2022, seven (7) different carriers provided our entire book of property and fire insurance coverage needs. By comparison, in 2016 the SBWMA had a single insurance carrier handle our entire scope of coverage of property and fire insurance coverage. The quotes on all layers of coverage carries a premium of $3,021,824 and can be found on Attachment A. The premium increase over the previous year is 45%. Insurance coverage was increased from a historical coverage level of $60 million to $65 million for the 2021/2022 coverage period. Business income loss is included in the $65 million coverage. It is notable that this upcoming Policy Year's property and fire insurance coverage is anticipated to spread amongst 16 different carriers.

Background
The Agency’s historical insurance premiums are illustrated in Table 1 below. The Agency has been able to secure property/fire insurance policy coverage since the MRF and Transfer Station fires in September 2016. In addition to these incidents, the insurance industry continues to experience risk in the property sector and particularly our class of business which has resulted in higher premiums to secure coverage. A list of over 60 carriers declining to quote can be found on Attachment B.
Staff has been developing an action plan to become Best-in-Class in loss risk for our class of business. The plan includes reviewing our current facility and operations and adding more significant risk controls with the goal of improving how the SBWMA is viewed by insurance companies.

Staff has retained a structural engineer, Dan Decker & Associates, to design a supplemental fire suppression system in the form of a deluge system with onsite water storage tanks and water cannon delivery system. Staff has engaged a second engineer to design a thermal heat detection system to target a water cannon. Staff has traveled to other facilities with similar state-of-the-art fire suppression systems in place.

Staff is also working to improve the human element situation of the facility. This includes having the facility contractor, SBR, employee’s engage in expanded fire emergency response training, employee behavioral training and implementing relevant communications software.

Additionally, Staff has had conceptual discussions with an alternative insurance brokerage firm, Omnis Risk Insurance Brokers (Omnis), on a plan for an alternative property insurance strategy with the objective of maintaining the Agency’s current level of coverage at a decrease in premium cost. Omnis currently provides fire and property coverage for a number of other local solid waste facilities, including those operated by our incoming facility operator, SBI, affiliates (Alameda County Industries and Sunnyvale SMART Station). The objective is to secure a portion of coverage with one particular insurance company that can offer a lesser premium with the same coverage primarily due to the fact that South Bayside Industries (SBI) will be the Shoreway Operator on January 1, 2024. This insurer is not willing to offer coverage until SBI has custody of the facility and equipment. The insurer has worked closely with SBI for a number of years and has a high degree of confidence in their professional facility operation and their risk mitigation techniques. We expect SBI will be a key contributor in achieving the goal Best-in-Class status in our class of business.

Additionally, Staff has been informed that Omnis’ working relationship with this new potential insurer is an important factor for the insurer.

Table 1

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$179,596</td>
<td>$766,682</td>
<td>$838,484</td>
<td>$954,916</td>
</tr>
<tr>
<td>Increase</td>
<td>$587,086</td>
<td>$71,802</td>
<td>$116,432</td>
<td></td>
</tr>
<tr>
<td>Deductible</td>
<td>$5,000</td>
<td>$500,000</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Period</td>
<td>7/1/16 - 6/30/17</td>
<td>7/1/17 - 6/30/18</td>
<td>7/1/18 - 6/30/19</td>
<td>7/1/19 - 6/30/20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premium</td>
<td>$1,286,497</td>
<td>$1,691,625</td>
<td>$2,083,787</td>
<td>$3,021,824</td>
</tr>
<tr>
<td>Increase</td>
<td>$331,581</td>
<td>$405,128</td>
<td>$392,162</td>
<td>$938,037</td>
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<tr>
<td>Deductible</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Period</td>
<td>7/1/20 - 6/30/21</td>
<td>7/1/21 - 6/30/22</td>
<td>7/1/22 - 6/30/23</td>
<td>7/1/23 - 6/30/24</td>
</tr>
</tbody>
</table>
Notably, several market-leading insurance companies have recently withdrawn from the California market with others threatening to follow suit.

**Fiscal Impact**
The insurance premium for $65 million in coverage with a $1.5 million deductible is $3.0 million.

**Attachments:**
Resolution 2023-28
Attachment A – Property Insurance Premium Worksheet
Attachment B – Market Survey
RESOLUTION NO. 2023-28

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS
Resolution Approving Property/Fire Insurance Policy for Coverage Year 23/24

WHEREAS, the SBWMA owns and maintains the Shoreway Environmental Center,

WHEREAS, the SBWMA requires property insurance for risk coverage of the Shoreway Property,

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a Resolution Approving Property/Fire Insurance Policy renewal for coverage year 23/24 with $65 million property insurance coverage with a group of insurance companies for a total premium of $3,021,824.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of June 2023, by the following vote:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belmont</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Burlingame</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>East Palo Alto</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Foster City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillsborough</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Menlo Park</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agency</th>
<th>Yes</th>
<th>No</th>
<th>Abstain</th>
<th>Absent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redwood City</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Carlos</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Mateo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>County of San Mateo</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Bay Sanitary Dist</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I HEREBY CERTIFY that the foregoing Resolution No. 2023-28 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.

ATTEST: Alicia Aguirre, Chairperson of SBWMA

Cyndi Urman, Clerk of the Board
## SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Property insurance effective July 1, 2023 to July 1, 2024

Premiums at $1,500,000 deductible

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees Policy/CAT</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,500,000</td>
<td>Landmark American / RSUI</td>
<td>$244,550</td>
<td>$10,000</td>
<td>$0</td>
<td>$7,776.69</td>
<td>$262,326.69</td>
</tr>
<tr>
<td></td>
<td>Palms Ins Co Ltd /Insurisk</td>
<td>$244,550</td>
<td>$7,500</td>
<td>$500</td>
<td>$7,776.69</td>
<td>$260,326.69</td>
</tr>
<tr>
<td></td>
<td>Aspen Specialty</td>
<td>$244,550</td>
<td>$10,000</td>
<td>$0</td>
<td>$7,776.69</td>
<td>$262,326.69</td>
</tr>
<tr>
<td></td>
<td>Arch</td>
<td>$244,550</td>
<td>$10,000</td>
<td>$0</td>
<td>$7,776.69</td>
<td>$262,326.69</td>
</tr>
</tbody>
</table>

10,000,000 Primary Layer

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees Policy/CAT</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000</td>
<td>Mercer/UFG</td>
<td>$257,788</td>
<td>$10,000</td>
<td>$400</td>
<td>$8,197.66</td>
<td>$276,385.66</td>
</tr>
<tr>
<td>2,500,000</td>
<td>Kinsale</td>
<td>$125,750</td>
<td>$7,500</td>
<td>$350</td>
<td>$3,998.85</td>
<td>$137,598.85</td>
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<tr>
<td>2,500,000</td>
<td>Westchester</td>
<td>$125,750</td>
<td>$7,500</td>
<td>$0</td>
<td>$3,998.85</td>
<td>$137,248.85</td>
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</tbody>
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10,000,000 xs 10,000,000 Layer

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees Policy/CAT</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000,000</td>
<td>Sutton Specialty/ RiskSmith</td>
<td>$543,000</td>
<td>$19,000</td>
<td>$1,500</td>
<td>$17,283.30</td>
<td>$580,783.30</td>
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</table>

10,000,000 xs 20,000,000 Layer

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees Policy/CAT</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>3,250,000</td>
<td>Kinsale</td>
<td>$41,941</td>
<td>$2,000</td>
<td>$0</td>
<td>$1,333.72</td>
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<tr>
<td>7,750,000</td>
<td>Starstone/ Hallmark</td>
<td>$173,259</td>
<td>$6,000</td>
<td>$250</td>
<td>$5,509.64</td>
<td>$185,018.64</td>
</tr>
<tr>
<td>5,000,000</td>
<td>ARCH</td>
<td>$91,999</td>
<td>$4,000</td>
<td>$0</td>
<td>$2,925.57</td>
<td>$98,924.57</td>
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<tr>
<td>6,000,000</td>
<td>Lloyds/BMS</td>
<td>$97,000</td>
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<td>$0</td>
<td>$3,084.60</td>
<td>$104,084.60</td>
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<tr>
<td>5,000,000</td>
<td>Bridgeway/ Munich</td>
<td>$96,000</td>
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<td>$0</td>
<td>$3,052.80</td>
<td>$103,052.80</td>
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<tr>
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<td>Axis</td>
<td>$100,000</td>
<td>$5,000</td>
<td>$0</td>
<td>$3,180.00</td>
<td>$108,180.00</td>
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</tbody>
</table>

30,000,000 xs 30,000,000 Layer

In all cases, please refer to the company proposal or policy

6/14/2023  jt

SBWMA BOD PACKET 06/22/2023

FULL PACKET PAGE 97 of 161

AGENDA ITEM: 5C ATTACHMENT A - p1
## Property Insurance Effective July 1, 2023 to July 1, 2024

Premiums at $1,500,000 deductible

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,000,000</td>
<td>Lloyds/BMS</td>
<td>$155,000</td>
<td>$10,000</td>
<td>$0</td>
<td>$4,929.00</td>
<td>$169,929.00</td>
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<tr>
<td>5,000,000 xs 60,000,000 Layer; totaling to $65,000,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Equipment Breakdown

<table>
<thead>
<tr>
<th>Amount of Insurance</th>
<th>Insurance Carrier</th>
<th>Anticipated Premium</th>
<th>Brokers Fee</th>
<th>Misc fees</th>
<th>Surplus Lines Tax &amp; Stamping Fee</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>94,160,456</td>
<td>C N A</td>
<td>$26,786</td>
<td>$1,250</td>
<td>$0</td>
<td>$0.00</td>
<td>$28,036.00</td>
</tr>
</tbody>
</table>

Total Property Premium: $3,021,823.75

In all cases, please refer to the company proposal or policy.
2023 Property Marketing Summary

For:

South Bayside Waste Management Authority

Executive: John D O’Neill | Representative: June Tong | June 15, 2023
Property Market List

Affiliated FM – Declined, class of business.
Allianz – declined, class of business.
Arrowhead- declined, class of business.
Avondale – declined, underwriting reasons.
AWAC – declined, class of business.
Axal XL – declined, class of business.
Beazley – declined, not a fit for their current appetite.
BHHC – declined, class of business.
Crum & Foster – declined, no Recyclers.
CNA – declined, class of business.
CoAction – declined, not a fit for their current appetite.
Crossover – Declined, underwriting reasons.
Curotech – declined, not a fit.
Everest – declined, class of business.
Fenchurch – declined, exiting this class of business.
General Star – declined, not a fit for their appetite.
Golden Bear – declined, class of business.
Great American – declined, class of business.
Hanover – declined, class of business.
Hartford – declined, class of business.
Hiscox – declined, underwriting reasons.
Intact – declined, underwriting reasons.
IPC – declined, not a fit.
Ironshore – declined, underwriting reasons.
James River – declined, class of business.
Kemah – declined, class of business.
Lexington – declined, class of business.
Mitsui – declined, class of business.
Paragon – declined, underwriting reasons.
Rivington – declined, class of business.
RLI – declined, class of business.
Skyward – declined, underwriting reasons.
Sompo - declined, class of business.
Starr – declined, class of business.
Swiss Re – declined, exiting class of business.
Travelers – declined, not a fit for their appetite.
Vikco – declined, class of business.
Inland Marine Market List
As discussed with John O’Neill yesterday, most all of the Inland Marine markets declined due to class of business. There are however some still open but they cannot cover fixed equipment (of which most of the items are).

AIG – declined, not a fit for their current appetite.
Allianz – not a fit
Ascot – declined, occupancy, not a fit
AWAC
Axa Balance – declined, underwriting reasons.
CAN - Decline
Colony
Everest
Hartford – not a fit
IFG
Intact – not a fit
Kinsale
Liberty – not a fit
Markel
RLI – declined.
Roanoke
Safehold
Seneca – not a fit

Skyward – interested but in mobile equipment only.

Sompo – declined, class of business.
Star
Travelers - Decline
Zurich – not a fit
Westchester – Not a fit
IAT
Zurich American- not a fit
SHOREWAY OPERATIONS AND CONTRACT MANAGEMENT
STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Principal Operations and Engineering Manager
       Joanne Nghiem, Management Analyst III
Date: June 22, 2023 Board of Directors Meeting
Subject: Resolution Approving Contract for Underground Fuel Storage Tank Removal and Replacement Project with CIC For a Not to Exceed (NTE) Amount of $2,423,964

Recommendation
Staff recommends that the Board of Directors approve Resolution No. 2023-29 approving a contract with CIC for the Underground Fuel Storage Tank Removal and Replacement Project with a NTE Amount of $2,423,964.

Summary
Staff issued an RFP for the removal and replacement of the existing underground fuel storage tank (UST) located at the Shoreway Environmental Center (SEC) facility used by the collection and operations contractor that are not compliant with State Water Resources Control Board (State Water Board) regulations and must be replaced before 2025. Staff conducted an RFP to select a contractor to perform the removal and replacement work and received one bid response from CONSTRUCTICON CORP (CIC). Staff has determined that the proposal by CIC in the amount of $2,423,964 is complete and qualified. Staff is requesting that the Board also authorize a contingency amount of $422,489 to allow Staff to execute change orders as needed.

Analysis
On April 27, 2023, the Board of Directors approved release of bid documents for the Underground Fuel Storage Tank Removal and Replacement Project and approved Staff to conduct an RFP process. On April 28, 2023, Staff issued the Contract Documents. Staff held the mandatory pre-bid conference on May 10, 2023. Nine (9) participants representing seven (7) different contracting companies attended. Staff received a number of questions following the pre-bid conference and issued two (2) Addenda. Bids were due on June 5, 2023. One (1) bid was received from CIC for a total base bid of $2,416,964, plus $7,000 in bid alternates for a total bid amount of $2,423,964. Staff, with technical support from Tanner Pacific, reviewed the submitted bid documents against the Contract Documents, including performing a reference check, and found CIC to be a responsive and responsible bidder. Staff recommends the award of the contract, for the amount of the base bid plus the bid alternates, to CIC, as the one qualified bidder. This bid amount of $2,423,964 was close to the engineers estimate of $2.5M.

Staff recommends that the Board also authorize the Executive Director or his designee to execute change orders that may arise during the project using contingency funds up to the amount of $422,489 above the base contract amount for a total authorized expenditure up to $2,846,453.

The contingency amount was determined by calculating 15% on the fixed cost element of the bid and 50% contingency amount on the unknown estimated amounts of soils and water that may or may not contain contamination and require special treatment/disposal (see Table 1 below for a tabulation of the NTE costs).
Based on the results of the subsurface site investigation that was performed in March 2023, the groundwater immediately adjacent to the existing underground storage tanks (UST) appears to be non-hazardous. To prepare the bid documents however, Staff, assisted by Tanner Pacific, included an estimated 1,000 gallons of hazardous water projected to be dewatered and disposed of during the project. CIC has expressed concern that the 1,000 gallon dewatering projection provided in the bid schedule may not be sufficient given the size of the excavation and the duration of time it must remain open to complete the tank replacement. If the groundwater at the excavation site is determined to be hazardous or if more than the projected 1,000 gallons of groundwater is needed to be dewatered and disposed, change orders from CIC would be expected to either direct more cost efficient options for water disposal or to account for the added dewatering costs.

### Table 1 Contingency Calculations

<table>
<thead>
<tr>
<th>Line #</th>
<th>Amount Bid</th>
<th>Descriptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>7A</td>
<td>$33,760</td>
<td>Dewatering and Disposal of Ground Water</td>
</tr>
<tr>
<td>7B</td>
<td>$45,400</td>
<td>Dewatering and Disposal of Contaminated Ground Water</td>
</tr>
<tr>
<td>8A</td>
<td>$139,680</td>
<td>Disposal of Soils</td>
</tr>
<tr>
<td>8B</td>
<td>$200,200</td>
<td>Disposal of Potentially Contaminated Soils</td>
</tr>
<tr>
<td></td>
<td>$419,040</td>
<td>Subtotal Revokable Items</td>
</tr>
<tr>
<td></td>
<td>$2,416,964</td>
<td>Total Base Bid Items 1 through 9</td>
</tr>
<tr>
<td></td>
<td>$1,997,924</td>
<td>Total w/o Revokable Items</td>
</tr>
<tr>
<td></td>
<td>$299,689</td>
<td>Contingency at 15% of total w/o Revokable Items</td>
</tr>
<tr>
<td></td>
<td>$245,600</td>
<td>Total of Line 7B &amp; 8B</td>
</tr>
<tr>
<td></td>
<td>$122,800</td>
<td>Contingency at 50% of total w/o Revokable Items</td>
</tr>
<tr>
<td></td>
<td>$422,489</td>
<td>Total Contingency</td>
</tr>
</tbody>
</table>

Project schedule will be updated as the SBWMA and the CIC coordinate on the project elements and permitting timeline. The draft schedule for the fuel system replacement project is as follows:

- June 2023 – Board approval of selected contractor
- June-August 2023 – Tank permitting process
- September 2023 – Tank order
- November 2023 – Board approval of contract for on-call fueling service
- December 2024 – Tank replacement construction completed

### Background

Senate Bill (SB) 445 changed the UST regulatory program regarding design and construction of USTs. In accordance with Health and Safety Code, chapter 6.7 and the California Code of Regulations, title 23, chapter 16, single wall fuel storage tanks must be removed and replaced with new double-wall tanks on or before December 31, 2025. The SEC facility fueling system has three (3) 12,000 gallon single wall tanks and single walled piping...
system that will not be compliant and must be replaced on or before December 31, 2025. As the existing fuel system is functionally adequate for the contractors’ fueling needs, it will be replaced in-kind with a new system that is compliant with an all new State Water Board compliant fueling system.

Tanner Pacific has been hired to assist SBWMA staff in the preparation of contact documents and to advise on the bidding, selection and award process. Staff has completed a series input session with Recology to ensure that the proposed system will meet the company’s needs and these considerations will be incorporated into the new project concept where feasible. Additionally, there is a joint effort at planning for temporary fueling services to be provided during the estimated 2–3-month construction project to ensure that there is no interruption in fueling the collection fleet, the long haul fleet and the equipment operated in the MRF and transfer station to handle materials. During this temporary interim period, a tanker truck will come onsite and individually fuel each truck during off-hours. This service is not covered under the construction scope of work and the SBWMA staff will issue a separate RFP for this service.

**Fiscal Impact**
The fuel system replacement reserve balance is currently $1,233,640. An additional $200k has been allocated for this project in the adopted FY2023 budget (Capital Projects budget) for indirect project costs. The NTE estimate for construction is approximately $3.0M. Project costs that exceed the allocated $1,433,640 noted above will be drawn from the adopted FY2023 Budget’s uncommitted reserves balance (current balance: $16,675,321).

**Attachments:**
Resolution 2023-29
Exhibit A – Agreement for The Construction of Underground Fuel Storage Tank Removal and Replacement Project
RESOLUTION NO. 2023-29
RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING RESOLUTION APPROVING CONTRACT DOCUMENTS FOR THE UNDERGROUND FUEL STORAGE TANK REMOVAL AND REPLACEMENT PROJECT WITH CIC FOR A NOT-TO-EXCEED AMOUNT OF $2,423,964

WHEREAS, the SBWMA owns the Shoreway Environmental Center and the fueling system on site and is responsibility for maintaining this system in compliance with state regulations; and

WHEREAS, the State of California has enacted regulations to protect ground water that prohibit the use of single walled underground fuel storage tanks, like the ones currently in operation at the SBWMA owned Shoreway Environmental Center, beyond the date of December 31, 2025; and

WHEREAS, the SBWMA has the requirement to maintain a fueling system for the contractors uses that is in compliance with state law; and

WHEREAS, the SBWMA staff has conducted an RFP that received one qualified bid from CIC on June 5th, 2023 for the replacement of the underground fuel storage tanks for an amount of $2,423,964 (Exhibit A).

NOW, THEREFORE, BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the award of a contract with CIC for a NTE amount of $2,423,964 for the Underground Fuel Storage Tank Removal and Replacement project.

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute change orders in amounts up to $422,489 above the contract award amount, for a total spending authorization of $2,846,453.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 22nd day of June, 2023 by the following vote:

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I HEREBY CERTIFY that the foregoing Resolution No. 2023-29 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on June 22, 2023.
SECTION 00500

AGREEMENT FOR THE CONSTRUCTION OF UNDERGROUND FUEL STORAGE TANK REMOVAL AND REPLACEMENT PROJECT

THIS AGREEMENT, made and entered into in duplicate originals this _____ day of __________, 2023, between South Bayside Waste Management Authority, a public agency ("Authority," "SBMWA," or "Owner"), and ____________________________ ("Contractor").

W I T N E S S E T H:

1. That for and in consideration of the payments and agreements to be made and performed by Authority and under the conditions contained in the two bonds submitted herewith, Contractor agrees with Authority, at Contractor’s cost and expense, to do all the work and furnish all the labor, equipment and materials necessary to construct and complete in good workmanlike and substantial manner the Project entitled Underground Fuel Storage Tank Removal and Replacement Project ("Project") in strict conformity with the Contract Documents (collectively defined in Section 01090-2.0), which Contract Documents in their entirety are incorporated herein by reference.

2. In consideration of the mutual covenants and agreements herein contained and to be performed, Contractor hereby agrees to complete the Work of the Project in accordance with the terms and conditions as provided for in Section 00300, PROPOSAL, and other appropriate provisions set forth in the Contract Documents for the lump sum price of ________________ Dollars, ($ ____________). Payments shall be made to Contractor in accordance with the provisions of the Contract Documents.

3. Authority hereby employs Contractor to provide the labor, equipment and materials and to construct, install and complete the Project in accordance with the Contract Documents for the aforesaid prices and agrees to pay the same at the time, in the manner and upon the terms and conditions above set forth. The parties hereto, for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to fully perform their respective covenants and agreements herein contained.

4. In the event of any conflict between the terms of the Contract Documents and the provisions of Contractor’s written bid, the Contract Documents, including the provisions of this Agreement, which is a component of the Contract Documents, shall control and nothing herein contained shall be considered as an acceptance of any such conflicting provision.

5. Contractor and any Subcontractor performing or contracting any Work of the Project shall comply with all applicable provisions of the California Labor Code for all workers, laborers and mechanics of all crafts, classifications or types, including, but not limited to the following:

(a) Sections 1810 to 1815, inclusive, of the California Labor Code relating to working hours. Contractor shall, as a penalty to Authority, forfeit the sum of twenty-five
dollars ($25.00) for each worker employed in the execution of the Contract by Contractor or by any Subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of eight (8) hours at not less than one and one half (1-1/2) times the basic rate of pay.

(b) The Project is a "public work" as defined in California Labor Code Division 2, Part 7 Chapter 1 (commencing with Section 1720) to which Labor Code Section 1771 applies and shall be performed by Contractor as such. Pursuant to the provision of California Labor Code Sections 1770 et seq., Contractor and any Subcontractor shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations. Prevailing wage requirements are also applicable during pre-construction work, which includes, but is not limited to, design, site assessment, feasibility studies, and land surveying. Pursuant to the provisions of California Labor Code Section 1773.2, Contractor is hereby advised that copies of the prevailing rate of per diem wages and a general prevailing rate for holidays, Saturdays and Sundays and overtime work in the locality in which the work is to be performed for each craft, classification, or type of worker required to execute the Contract, may be obtained from the California Department of Industrial Relations website. Contractor shall post a copy of said prevailing rate of per diem wages at each job site.

(c) Contractor shall comply with the provisions of Section 1775 of the California Labor Code and shall, as a penalty to Authority, forfeit up to fifty dollars ($50) for each calendar day, or portion thereof, for each worker paid less than the prevailing rate of per diem wages for each craft, classification, or type of worker needed to execute the Contract. Contractor shall pay each worker an amount equal to the difference between the prevailing wage rates and the amount paid a worker for each calendar day or portion thereof for which a worker was paid less than the prevailing wage rate.

(d) Pursuant to the provisions of Section 1776 of the California Labor Code, Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by Contractor for the Project. Said payroll shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records above-listed shall be made available for inspection or furnished upon request to Authority, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations.
(3) A certified copy of all payroll records above-listed shall be made available upon request by the public for inspection or for copies thereof; provided, however, that a request by the public shall be made through either Authority, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to subparagraph 5(d)(2) herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal offices of Contractor.

The certified payroll records shall be on forms provided by the California Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division.

Contractor shall file a certified copy of the records above-listed with the entity that requested the records within ten (10) days after receipt of a written request. Any copy of records made available for inspection as copied and furnished upon request to the public or any public agency by Authority, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address, and social security number. The name and address of Contractor shall not be marked or obliterated. Contractor shall inform Authority of the location of the records above-listed including the street address, city and county, and shall, within five (5) working days, provide a notice of change of location and address. Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Contractor must comply with this Paragraph 5(d). If Contractor fails to comply within the ten (10) day period, Contractor, as a penalty to the State of California or Authority, shall forfeit twenty-five dollars ($25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the California Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Responsibility for compliance with this Paragraph 5(d) lies with Contractor.

(e) Contractor and any Subcontractors shall, when they employ any person in any apprenticeable craft or trade, apply to the joint apprenticeship committee administering the apprenticeship standards of the craft or trade in the area of the construction site for a certificate approving Contractor or Subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected; and shall comply with all other requirements of Section 1777.5 of the California Labor Code. The responsibility of compliance with California Labor Code Section 1777.5 during the performance of this contract rests with Contractor. Pursuant to California Labor Code Section 1777.7, in the event Contractor willfully fails to comply with the provisions of California Labor Code Section 1777.5, Contractor shall be denied the right to bid on any public works contract for up to three (3) years from the date noncompliance is determined and shall be assessed civil penalties.
(f) In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with 1860), and Chapter 4, Part 1, Division 4 (commencing with 3700) of the California Labor Code, Contractor is required to secure the payment of compensation to its employees and for that purpose obtain and keep in effect adequate Workers' Compensation Insurance. If Contractor, in the sole discretion of Authority satisfies Authority of the responsibility and capacity under the applicable Workers' Compensation laws, to act as self-insurer, Contractor may so act, and in such case, the insurance required by this Paragraph need not be provided.

Contractor is advised of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for Workers’ Compensation or to undertake self-insurance in accordance with the provisions of that Code.

Before the Agreement between Authority and Contractor is entered into, Contractor shall submit written evidence that Contractor has obtained for the period of the Contract full Workers’ Compensation Insurance coverage for all persons whom they employ or may employ in carrying out the Work of the Project. This insurance shall comply with the requirements of the most current and applicable state Workers’ Compensation Insurance laws. Contractor shall also submit written evidence that each Subcontractor has obtained for the period of the Contract full Workers’ Compensation Insurance coverage for all persons whom they employ or may employ in carrying out the Work of the Project prior to the commencement of any work by the Subcontractor(s).

In accordance with the provisions of Section 1861 of the California Labor Code, Contractor hereby certifies to Authority as true the following statement:

“I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract.”

(g) In accordance with the provisions of Section 1727 of the California Labor Code, before making payment to Contractor of money due under this contract Authority shall withhold and retain therefrom sufficient funds to satisfy any civil wage and penalty assessment issued by the Labor Commissioner under Chapter 1, Part 7, Division 2 of the California Labor Code (commencing with 1720). If Authority has not retained sufficient money under the contract to satisfy a civil wage and penalty assessment based on a Subcontractor’s violations, Contractor shall, upon the request of the Labor Commissioner, withhold sufficient money due the Subcontractor under the Contract to satisfy the assessment and transfer the money to Authority. These amounts shall not be disbursed by Authority until receipt of a final order that is no longer subject to judicial review.
(h) The Project is a “public work” as defined in Labor Code Section 1720. Therefore, Contractor and all subcontractors for the Project must be registered with the California Department of Industrial Relations pursuant to the provisions of Labor Code Section 1725.5 in order to be qualified to bid on, be listed in a bid proposal, or engage in the performance of any work under the Contract for the Project. A bid shall not be accepted nor any contract or subcontract be entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Labor Code Section 1725.5. Contractor hereby certifies that Contractor is registered pursuant to that Section.

Pursuant to Labor Code Section 1771.4, the Project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. Contractor shall post jobsite notices as prescribed by regulation and each subcontractor shall furnish the records specified in Labor Code Section 1776 directly to the Labor Commissioner as specified in said Section 1771.4. Pursuant to Labor Code Section 1773.3, the Authority shall provide notice to the Department of Industrial Relations of the award of the contract for the Project within five days of the award.

6. Contractor shall provide Automobile Liability Insurance for all owned, non-owned and hired automobiles, trucks, trailers or other vehicles to be employed by Contractor on the Project and such other insurance coverage expressly required for the Project as set forth in Section 00800-3.0, LIABILITY AND INSURANCE.

7. Contractor shall diligently prosecute performance of the Work of the Project so that it shall be substantially completed within the time specified in Section 00800-1.1, TIME ALLOWED FOR COMPLETION.

8. In addition to such other guarantees as may be provided in other provisions of the Contract Documents, Contractor hereby expressly guarantees for one (1) full year from the date of Acceptance of the Project by Authority to repair or replace any defects of the Work performed hereunder or in the Project resulting from the use of inferior or defective materials, equipment or workmanship. If, within said period, any repairs or replacements in connection with the Project are, in the opinion of Authority, rendered necessary as the result of the use of inferior or defective materials, equipment or workmanship, Contractor agrees, upon receipt of notice from Authority, and without expense to Authority, promptly to repair or replace such material or workmanship and correct any and all defects therein. If Contractor, after such notice, fails to proceed promptly to comply with the terms of this guarantee, Authority may perform the work necessary to effectuate such correction and recover the cost thereof from Contractor or its sureties.

In special circumstances where a particular item of work or equipment is placed in continuous service before Substantial Completion of the Project, the guarantee period for that item may start to run from an earlier date agreed upon by Contractor and Authority on or before the item is placed in continuous service.
All other special guarantees which may be applicable to specific parts of the Project shall be considered as additional guarantees and shall not reduce or limit the guarantee under this Paragraph during the life of such guarantee.

9. Contractor shall provide, upon execution of this Agreement, a good and sufficient corporate surety bond in the penal sum of one hundred (100) percent of amount bid, which bond shall be on the form provided by Authority in Section 00610, BOND OF FAITHFUL PERFORMANCE, and be conditioned upon the faithful performance of all Work required to be performed by Contractor hereunder. The surety on said bond shall be liable for any and all penalties and obligations which may be incurred by Contractor under this Agreement. The bond shall be issued by a corporate Surety approved by Authority’s counsel. The corporate Surety shall be authorized to conduct business in California and shall have an AM Best rating of A:VII or better. At its discretion, Authority may require that a certified copy of the Certificate of Authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to Authority. At its discretion, Authority may also require the insurer to provide copies of its most recent annual and quarterly statements filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the California Insurance Code.

10. In addition to the bond required under Paragraph 9, Contractor shall furnish a good and sufficient corporate surety bond in the penal sum of one hundred (100) percent of amount of the Bid, which bond shall be on the form provided by Authority in Section 00620, PAYMENT BOND, and conform strictly with the provisions of Chapter 7 (commencing with Section 3257), Title 15, Part 4, Division 3, of the Civil Code of the State of California, and all amendments thereto. The bond shall be issued by a corporate Surety approved by Authority’s counsel. The Surety shall be authorized to conduct business in California and shall have an AM Best rating of A:VII or better. At its discretion, Authority may request that a certified copy of the Certificate of Authority of the insurer issued by the Insurance Commissioner of the State of California be submitted by the Surety to Authority. At its discretion, Authority may also require the insurer to provide copies of its most recent annual and quarterly statements filed with the Department of Insurance pursuant to Article 10 (commencing with Section 900) of Chapter 1 of Part 2 of Division 1 of the Insurance Code.

11. Contractor may substitute securities for the amounts retained by Authority to ensure performance of the work in accordance with the provisions of Section 22300 of the Public Contract Code.

12. Contractor covenants that Contractor is licensed and registered in accordance with the provisions of the Contractors’ License Law of California and Labor Code Section 1725.5, respectively, as provided in Section 00010, NOTICE TO CONTRACTORS.

13. Contractor shall be provided the period of time specified in the Contract Documents under Section 01340-7.2, SUBSTITUTIONS, for submission of data substantiating a request for a substitution of "an equal" item.

14. Authority shall assume the responsibility for the timely removal, relocation, or protection of existing main or trunkline utility facilities located on the work site, if such utilities are not identified in the Contract Documents. Authority shall compensate Contractor for the
costs of locating, repairing damage not caused by Contractor for failure to exercise reasonable care and removing or relocating such utility facilities not indicated in the Contract Documents with reasonable accuracy, and for equipment on the Project necessarily idled during such work. Contractor shall not be assessed liquidated damages for delay in completion of the Project when such delay was caused by the failure of Authority or the owner of the utility to remove or relocate such utility facilities.

Nothing herein contained shall be deemed to require Authority to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the work site can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes on or adjacent to the work site or similar appurtenances associated with such utilities; provided, however, nothing herein shall relieve Authority from identifying main or trunklines in the Contract Documents.

Nothing herein shall preclude Authority from pursuing any appropriate remedy against the utility for delays which are the responsibility of the utility. Nothing herein shall be construed to relieve the utility from any obligation as required whether by law or by contract to pay the cost of removal or relocation of existing utility facilities.

If Contractor, while performing the work of the Project discovers utility facilities not identified by Authority in the Contract Documents, Contractor shall immediately notify Authority and the apparent owner of the utility in writing.

A public utility which is identified as the owner of a utility shall have the sole discretion to perform repairs or relocation work or permit Contractor to do such repairs or relocation work at a reasonable price.

15. As required by Section 6705 of the California Labor Code and in addition thereto, whenever Work under the Contract involves the excavation of any trench or trenches five (5) feet or more in depth, Contractor shall submit, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during excavation. If such plan varies from the shoring system standards established by the Construction Safety Orders of the Division of Industrial Safety in Title 8, Subchapter 4, Article 6, California Code of Regulations, the plan shall be prepared by a registered civil or structural engineer employed by Contractor, and all costs therefor shall be deemed to be included in Contractor’s accepted bid for the Project. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or other protective system less effective than that required by the Construction Safety Orders. Nothing in this section shall be construed to impose tort liability on Authority, the Design Consultant, Construction Manager or any of their agents, consultants, or employees. Authority’s review of Contractor’s excavation plan is only for observation of general conformance to the California Construction Safety Orders and shall not be deemed approval or guarantee of Contractor’s plan.

Prior to commencing any excavation, Contractor shall designate in writing to the Construction Manager Contractor’s “competent person(s)” with authority and responsibilities designated in the Construction Safety Orders.

Underground Fuel Storage Tank Replacement 00500-7  
April 2023  
SBWMA Specifications
16. In accordance with Section 7104 of the Public Contract Code, whenever any work
involves digging trenches or other excavations that extend deeper than four (4) feet below the
surface, the provisions of Section 00700-7.2, DIFFERING SITE CONDITIONS, shall apply.

17. In accordance with Section 7103.5 of the Public Contract Code, Contractor and
Subcontractors shall conform to the following requirements: Contractor or its Subcontractor(s)
offer(s) and agree(s) to assign to Authority all rights, title, and interest in and to all causes of
action if they may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the
Cartwright Act (Chapter 2 [commencing with § 16700] of Part 2 of Division 7 of the Business
and Professions Code) arising from purchases of goods, materials or services pursuant to this
Contract or the subcontract(s). Such assignment shall be made and become effective at the
time Authority tenders final payment to Contractor, without further acknowledgement by the
parties.

18. In accordance with Section 4552 of the Government Code, Contractor shall conform
to the following requirements: Contractor shall assign to Authority all rights, title, and interest
in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15)
or under the Cartwright Act (Chapter 2 [commencing with § 16700] of Part 2 of Division 7 of
the Business and Professions Code), arising from purchase of goods, materials, or services
by Contractor for sale to Authority pursuant to the Bid. Such assignment shall be made and
become effective at the time Authority tenders final payment to Contractor.

19. Pursuant to Public Contract Code Section 7100, acceptance by Contractor of an
undisputed payment made under the terms of the Contract shall operate as, and shall be, a
release to Authority and Authority’s duly authorized agents from all claims of or liability to
Contractor arising by virtue of the Contract related to those amounts. Disputed claims in
stated amounts may be specifically excluded by Contractor from the operation of the release.

20. In accordance with California Business and Professions Code Section 7030,
Contractor is required by law to be licensed and regulated by the Contractor’s State License
Board which has jurisdiction to investigate complaints against contractors if a complaint
regarding a patent act or omission is filed within four (4) years of the date of the alleged
violation. A complaint regarding a latent act or omission pertaining to structural defects must
be filed within ten (10) years of the date of the alleged violation. Any questions concerning
Contractor may be referred to the Contractors State License Board, Intake and Mediation
Center, P.O. Box 269116, Sacramento CA 95826-9116.

21. This Agreement may be executed in one or more counterparts, each of which when
executed and delivered shall be an original, and all of which when executed and delivered
shall constitute one Agreement. The counterparts of this Agreement must be manually
executed, but the exchange of copies of this Agreement and of manually executed signature
pages by facsimile or by electronic mail as an attachment in portable document format (.pdf)
to the addresses provided in this Agreement shall constitute effective delivery of this
Agreement as to the Parties and may be used as a fully binding original in lieu of the original
Agreement for all purposes.
IN WITNESS WHEREOF, the parties hereto have executed this agreement this ______day of ________________, 20_____.

CONTRACTOR

Contractor: CIC  
(Print or Type Contractor’s Legal Name)

Signature: Tuan Pham  

Signed By: Tuan Pham  
(Print or Type Name)

Title: Vice President  

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

By: ________________________________  
Chair

ATTEST:

By: ________________________________  
Secretary

*** END OF SECTION ***
PUBLIC EDUCATION, OUTREACH AND LEGISLATION
STAFF REPORT

To: SBWMA Board Members  
From: Julia Au, Sr. Outreach, Education and Compliance Manager  
Date: June 22, 2023 Board of Directors Meeting  
Subject: 2023 Mid-Session Legislative Update by EEC  

Summary
The purpose of this report is to provide legislative and regulatory updates to the Board on the current 2023 California Legislative Session and regulatory activities being conducted by our lobbyist, Environmental and Energy Consulting (EEC). EEC will give a presentation on the mid-year of the legislative session and other policy updates at today’s meeting.

EEC continues to keep staff up to date on the over 50 bills it is tracking for the agency, 11 of which the agency is supporting. EEC also strategized with RethinkWaste staff to determine priorities for addressing ongoing concerns with the Brown Act and hybrid board member meeting attendance. More information about legislation being tracked can be found in Attachment A. EEC is also monitoring workshops related to the implementation of SB 1383 and SB 54. This includes updating staff about the steps that will follow on the recently approved and released final report from the Little Hoover Commission on SB 1383 implementation. You can find a link to the final report here.

Analysis
RethinkWaste contracts with EEC to act as the agency’s legislative and regulatory lobbyist in California. EEC is a registered lobbying firm in the state of California (Lobbying ID # 1371848) and the Board approved a new contract with EEC on November 17, 2022. EEC will provide these legislative and regulatory services to RethinkWaste during the 2023-2024 Legislative Session.

Attachments:
I. Key Dates & Updates

- On May 23, the Little Hoover Commission voted to approve its report on SB 1383 which, among other things, recommends a pause in the implementation of the strategy. The Legislature may now act on any of the policy recommendations set forth by the Commission through future legislation.
- By June 2, bills needed to pass out of their first house. On June 5, second house policy committees resumed hearings.
- By June 15, the Legislature needs to pass an initial budget.
- On June 30, Assemblymember Robert Rivas becomes Speaker of the Assembly by replacing current Speaker Anthony Rendon.
- By July 14, bills need pass out of their second house policy committees. Following this deadline, Summer Recess begins.

II. Key Legislation

- Bill list attached

III. May & June Activities

- EEC monitored workshops related to the implementation of SB 1383 and SB 54 and reported relevant information to the RethinkWaste team. CalRecycle plans to host monthly meetings on both these regulations, particularly as they develop regulations for SB 54.
- EEC hosted a Zero Waste Now coalition in June to discuss relevant legislation and CalRecycle activities. The ZWN group will be meeting again in August.
- EEC tracked 56 pieces of legislation for RethinkWaste and updated the team on amendments and policy outcomes.
- RethinkWaste supported 11 pieces of legislation in the first house related to reducing waste and increasing funding for waste reduction measures.
- On behalf of RethinkWaste, EEC worked to protect the existing funding in the budget for SB 1383, as well as drafted and circulated a letter requesting future funding for SB 1383 through a California bond measure.
- EEC strategized with RethinkWaste to determine priorities for addressing ongoing concerns with the Brown Act and hybrid board member meeting attendance.
**AB 2**  
(Ward D) Recycling: solar photovoltaic modules.  
**Status:** 6/7/2023-Referred to Com. on E.Q.  
**Location:** 6/7/2023-S. E.Q.  

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**Summary:** Would require a manufacturer of solar photovoltaic panels sold or offered for sale in this state, or its agent, to develop an end-of-life management plan for the management and recycling of the solar photovoltaic panels it manufactured and the component materials. The bill would specify the required contents of an end-of-life management plan and would require the department to provide guidelines for developing an end-of-life management plan. The bill would require an end-of-life management plan be submitted to the department for approval or disapproval and would require a manufacturer to implement the plan as approved. The bill would require a manufacturer or its agent to report to the department annually regarding the implementation of its end-of-life management plan, as specified. The bill would require the department to adopt regulations for the implementation of these provisions and to impose an administrative fee to cover the department’s full administrative and enforcement costs of these provisions. The bill would subject a manufacturer that violates the requirements of this bill to an administrative civil penalty of $500 for the first violation and $1,000 for a subsequent violation.

**Position**  
Support in Concept  
Priority  
(Medium)

**Notes:** Sign-on support letter.

**AB 408**  
(Wilson D) Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024.  
**Status:** 6/1/2023-In Senate. Read first time. To Com. on RLS. for assignment.  
**Location:** 6/1/2023-S. RLS.  

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**Summary:** Would enact the Climate-resilient Farms, Sustainable Healthy Food Access, and Farmworker Protection Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of $3,365,000,000 pursuant to the State General Obligation Bond Law, to finance programs related to, among other things, agricultural lands, food and fiber infrastructure, climate resilience, agricultural professionals, including farmers, ranchers, and farmworkers, workforce development and training, air quality, tribes, disadvantaged communities, nutrition, food aid, meat processing facilities, and fishing facilities.

**Position**  
Watch  
Priority  
(Medium)

**AB 660**  
(Irwin D) Food labeling: quality dates, safety dates, and sell by dates.  
**Status:** 6/7/2023-Referred to Coms. on HEALTH and AGRI.  
**Location:** 6/7/2023-S. HEALTH  

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**Summary:** Would require, on or before January 1, 2025, food manufacturers, processors, and retailers responsible for the labeling of food products to use specified terms on food product labels to communicate quality dates and safety dates, as provided. The bill would, on and after January 1, 2025, prohibit a person from selling or offering for sale in the state a food item for human consumption that displays a food product date label that is not labeled in accordance with these terms. The bill would, on and after January 1, 2025, prohibit a person from selling or offering for sale in the state a food item for human consumption that is labeled with the phrase “sell by,” as specified. The bill would also require the State Department of Public Health to make certain updates to its regulations involving the California Retail Food Code, as provided. The bill would specify that, unless otherwise required by law, nothing in these provisions shall be construed to require the use or display of a date label on a food item for human consumption unless the food item displays a date label, and would provide that these provisions do not prohibit a label that allows consumers to view online information about a food item for human consumption. The bill would not apply the above-mentioned provisions to infant formula.

**Status:** 6/7/2023-Referral to Com. on E.Q.

**Location:** 6/7/2023-S.E.Q.

**Summary:** Current law establishes a carpet stewardship program to increase the amount of postconsumer carpet that is diverted from landfills and recycled into secondary products. Current law requires a manufacturer of carpets sold in this state to submit, either individually or through a carpet stewardship organization, a carpet stewardship plan that meets specified requirements to the Department of Resources Recycling and Recovery. Existing law imposes a carpet stewardship assessment per unit of carpet sold in the state that is remitted to the carpet stewardship organization and may be expended to carry out the organization’s carpet stewardship plan. Current law requires a carpet stewardship organization to include in the plan a description of the process by which the carpet stewardship organization will transfer assessment funds to a successor carpet stewardship organization in the event that should become necessary. Current law requires a carpet stewardship organization in possession of assessment funds to, as directed by the department, transfer those funds to a successor carpet stewardship organization with an approved plan. Current law authorizes the department to administratively impose civil penalties on any person who is in violation of any provision of the carpet stewardship laws, of up to $5,000 per day or $10,000 per day if the violation is intentional, knowing, or negligent. This bill would amend those penalties to $10,000 per day or $50,000 per day if the violation is intentional, knowing, or reckless.

**Position**  
Support  
Priority 2  
(Medium)

**Notes:** Sign-on support letter.

**AB 1238** (Ward D) Hazardous waste: solar panels.

**Status:** 6/7/2023-Referral to Com. on E.Q.

**Location:** 6/7/2023-S.E.Q.

**Summary:** Current law requires the Department of Toxic Substances Control to adopt regulations for the identification and management of hazardous wastes. Current law authorizes the department to adopt regulations designating end-of-life photovoltaic modules that are identified as hazardous waste as a universal waste and subject to regulations applicable to universal waste management. A violation of the Hazardous Waste Control Law, including a regulation adopted pursuant to that law, is a crime. This bill would require the department to develop alternative management standards for managing photovoltaic modules. The bill would specify parameters for the standards, including, but not limited to, that they promote the safe collection, reuse, and recycling of photovoltaic modules.

**Position**  
Watch  
Priority 2  
(Medium)

**Notes:** Support letter submitted to Asm. NR Committee.

**AB 1290** (Rivas, Luz D) Product safety: plastic packaging: substances.

**Status:** 6/2/2023-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 5/31/2023)(May be acted upon Jan 2024)

**Location:** 6/2/2023-A. 2 YEAR

**Summary:** Would prohibit, beginning January 1, 2026, a person from manufacturing, selling, offering for sale, or distributing in the state, (1) opaque or pigmented polyethylene terephthalate bottles, and (2) plastic packaging that contains certain chemicals, pigments, or additives, as specified. The bill would exclude from that prohibition packaging used for certain medical, drug, and federally regulated products. The bill would authorize the imposition of a civil penalty for a violation of that prohibition, as specified.

**Position**  
Support  
Priority 2  
(Medium)

**Notes:** Support letter submitted to Asm. NR Committee.
**AB 1347 (Ting D) Solid waste: paper waste: proofs of purchase.**

**Status:** 6/7/2023-Referrerd to Coms. on JUD. and E.Q.

**Location:** 6/7/2023-S. JUD.

**Calendar:** 6/27/2023 1:30 p.m. - 1021 O Street, Room 2100  SENATE JUDICIARY, UMBERG, THOMAS, Chair

**Summary:** Would require a business, as defined, that accepts payment through cash, credit, or debit transactions, subject to certain exceptions, to provide a consumer with certain options related to the receipt of the consumer's proof of purchase and would prohibit a business from printing a paper proof of purchase if the consumer opts to not receive a proof of purchase, unless otherwise required by state or federal law. The bill would not require the proof of purchase to be provided in electronic form if the business is incapable of sending an electronic proof of purchase due to unexpected technical difficulties. The bill would prohibit a paper proof of purchase provided to a consumer by a business from containing bisphenol A or bisphenol S, and from including items not essential to the transaction, including, but not limited to, coupons or advertisements. The bill would specify that the first and 2nd violations of any of those provisions would result in a notice of violation and any subsequent violation would be punishable by a civil penalty of $25 for each day the business is in violation, but not to exceed an annual total of $300. The bill would authorize the Attorney General, a county counsel, a district attorney, or a city attorney to enforce those provisions.

**Notes:** Sign-on support letter.

**AB 1379 (Papan D) Open meetings: local agencies: teleconferences.**

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was L. GOV. on 3/23/2023) (May be acted upon Jan 2024)

**Location:** 4/28/2023-A. 2 YEAR

**Summary:** The Ralph M. Brown Act, requires, with specified exceptions, that all meetings of a legislative body be open and public, and that all persons be permitted to attend unless a closed session is authorized. The act generally requires for teleconferencing that the legislative body of a local agency that elects to use teleconferencing post agendas at all teleconference locations, identify each teleconference location in the notice and agenda of the meeting or proceeding, and have each teleconference location be accessible to the public. Current law also requires that, during the teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. This bill, with respect to those general provisions on teleconferencing, would require a legislative body electing to use teleconferencing to instead post agendas at a singular designated physical meeting location, as defined, rather than at all teleconference locations. The bill would remove the requirements for the legislative body of the local agency to identify each teleconference location in the notice and agenda, that each teleconference location be accessible to the public, and that at least a quorum of the members participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction.

**Notes:** Support letter submitted to Asm. Local Gov Committee.

**AB 1489 (Wood D) Solid waste: compostable covered materials.**

**Status:** 6/7/2023-Referrerd to Com. on E.Q.

**Location:** 6/7/2023-S. E.Q.
another certification. This bill would exempt products that are eligible to be labeled with the term “compostable” from the source reduction requirements of the act.

Position | Priority
Watch | Priority 2
(Medium)

**AB 1526**

**Committee on Natural Resources** Public resources.

**Status:** 6/7/2023-In committee: Hearing postponed by committee.

**Location:** 5/31/2023—S. N.R. & W.

**Summary:** Current law requires the Department of Conservation and the State Water Resources Control Board to provide to the fiscal and relevant policy committees of the Legislature an annual report regarding certain aspects of the implementation of the Underground Injection Control Program until October 1, 2024. This bill would make these provisions inoperative on October 1, 2029, and would repeal them as of January 1, 2030.

Position | Priority
Watch | Priority 2
(Medium)

**AB 1548**

(Hart D) Greenhouse Gas Reduction Fund: grant program: recycling infrastructure projects.

**Status:** 6/1/2023-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 6/1/2023-S. RLS.

**Summary:** Current law requires the Department of Resources Recycling and Recovery, with additional moneys from the Greenhouse Gas Reduction Fund that may be appropriated to the department, to administer a grant program to provide financial assistance to promote the in-state development of infrastructure, food waste prevention, or other projects to reduce organic waste or to process organic and other recyclable materials into new value-added products. Current law requires the department to provide eligible financial assistance for certain activities, including recyclable material manufacturing. Current law specifies eligible infrastructure projects for purposes of the program. Current law requires the department to consider if and how the project may benefit disadvantaged communities in awarding a grant for organics composting or organics in-vessel digestion. This bill would expand the scope of the grant program to include providing financial assistance to promote in-state development of projects to sort and aggregate organic and other recyclable materials, as provided, or to divert items from disposal through enhanced reuse opportunities. The bill would require the grant program to provide eligible financial assistance for increasing opportunities for reuse of materials diverted from landfill disposal and for recyclable material recovery, sorting, or baling equipment for use at publicly owned facilities. The bill would authorize eligible infrastructure projects for the grant program to include projects undertaken by a local government at publicly owned facilities to improve the recovery, sorting, or baling of recyclable materials to get those materials into the marketplace, the purchase of equipment and construction of facilities to help develop, implement, or expand edible food waste recovery operations, and the establishment of reuse programs to divert items from landfill disposal for reuse by members of the public.

Position | Priority
Support | Priority 2
(Medium)

**Notes:** Sign-on support letter.

**AB 1567**


**Status:** 6/1/2023-In Senate. Read first time. To Com. on RLS. for assignment.

**Location:** 6/1/2023-S. RLS.

**Summary:** Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of $15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

Position | Priority
**AB 1705**  
**McKinnor D**  
**Solid waste facilities: state policy goals.**

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/10/2023) (May be acted upon Jan 2024)

**Location:** 5/19/2023-A. 2 YEAR

**Summary:** Current law prohibits a person from establishing or expanding a solid waste facility in a county after a countywide or regional agency integrated waste management plan has been approved unless the solid waste facility is, among other things, a disposal facility, a transformation facility, or an EMSW conversion facility that meets specific criteria. Current law defines an "EMSW conversion facility" as a facility where municipal solid waste conversion that meets specific requirements takes place and defines "transformation" as incineration, pyrolysis, distillation, or biological conversion, excluding composting, gasification, EMSW conversion, or biomass conversion. Current law authorizes the Department of Resources Recycling and Recovery, by regulation, to specify classifications of solid waste facilities that are exempt from these and other facility regulations if the department makes specific findings, including that the nature of the solid wastes poses no significant threat to the public health, the public safety, or the environment. This bill would prohibit a person from establishing or expanding a transformation facility or an EMSW conversion facility in the state until the Department of Resources Recycling and Recovery has determined that the state has achieved the above-described solid waste and organic waste policy goals of the state for 3 consecutive years.

**Position**  
**Priority**  
**Watch** Priority 2  
**(Medium)**

**SB 244**  
**Eggman D**  
**Right to Repair Act.**

**Status:** 5/31/2023-In Assembly. Read first time. Held at Desk.

**Location:** 5/30/2023-A. DESK

**Summary:** The Song-Beverly Consumer Warranty Act provides a comprehensive set of procedures for the enforcement of express and implied warranties on consumer goods, as defined. Under existing law, every manufacturer making an express warranty with respect to an electronic or appliance product, including televisions, radios, audio or video recording equipment, major home appliances, antennas, and rotators, with a wholesale price to the retailer of not less than $50 nor more than $99.99 is required to make available to service and repair facilities sufficient service literature and functional parts to effect the repair of the product for at least 3 years after the date a product model or type was manufactured, regardless of whether the 3-year period exceeds the warranty period for the product. Current law also requires every manufacturer making an express warranty with respect to an electronic or appliance product, as described above, with a wholesale price to the retailer of $100 or more, to make available to service and repair facilities sufficient service literature and functional parts to effect the repair of the product for at least 7 years after the date a product model or type was manufactured, regardless of whether the 7-year period exceeds the warranty period for the product. This bill would enact the Right to Repair Act. The bill would require, except as specified and regardless of whether any express warranty is made, the manufacturer of an above-described electronic or appliance product, in the above-described circumstances, and in those same circumstances but sold to others outside of direct retail sales, to make available, on fair and reasonable terms, to product owners, service and repair facilities, and service dealers, the means, as described, to effect the diagnosis, maintenance, or repair of the product, as provided.

**Position**  
**Priority**  
**Support** Priority 2  
**(Medium)**

**Notes:** Support letter submitted to Author's office/Sen. Judiciary Committee.

**SB 271**  
**Dodd D**  
**Powered wheelchairs: repair.**

**Status:** 5/31/2023-In Assembly. Read first time. Held at Desk.

**Location:** 5/30/2023-A. DESK

**Summary:** The Sherman Food, Drug, and Cosmetic Law regulates the packaging, labeling, and advertising of drugs and devices, and is administered by the State Department of Public Health. Among other things, existing law prohibits a person from conducting a home medical device retail facility business in this state unless the person has obtained a license from the department and sets forth standards for operating that facility. Current law authorizes the department to waive any licensing
requirements for a medical device retail facility when, in the opinion of the department, a high standard of patient safety, consistent with good patient care, can be provided by the licensure of a home medical device retail facility that does not meet all of the requirements for licensure. This bill would, except as specified, require an original manufacturer of a powered wheelchair, as those terms are defined, to provide documentation, parts, embedded software, firmware, and tools used to inspect, diagnose, maintain, and repair the wheelchair to an owner or an independent repair provider for the purposes of providing service on the equipment in the state, on fair and reasonable terms and costs, as defined. The bill would also require an original manufacturer, for a powered wheelchair that contains an electronic security lock or other security-related function, to provide any documentation, parts, embedded software, firmware, or tools needed to reset the lock or function when disabled in the course of providing services, as specified.

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Notes: Support letter submitted to Sen. BP&E and Jud Committee.

**SB 303**

(Allen D) **Solid waste: Plastic Pollution Prevention and Packaging Producer Responsibility Act.**

Status: 6/8/2023-Referral to Coms. on NAT. RES. and JUD.

Location: 6/8/2023-A. NAT. RES.

Summary: Current law establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act, which covers certain single-use packaging and plastic single-use food serviceware, as provided. As part of its comprehensive statutory scheme, existing law requires producers, as defined, of these covered materials to source reduce plastic covered material, to ensure that all covered material offered for sale, distributed, or imported in or into the state on or after January 1, 2023, is recyclable or compostable, and to ensure that plastic covered material offered for sale, distributed, or imported in or into the state achieves specified recycling rates, as provided. The act prohibits a producer from selling, offering for sale, importing, or distributing covered materials in the state unless the producer is approved to participate in the producer responsibility plan of a producer responsibility organization (PRO), as prescribed, for the source reduction, collection, processing, and recycling of covered material, except as provided. This bill would instead authorize an affected entity that asserts that specific actions taken by the PRO, a producer, or an entity under contract with the PRO are not consistent with specified prohibitions and requirements of the act and are disrupting or otherwise adversely affecting the sustained operation or commercial viability of solid waste collection programs, solid waste recycling facilities, or composting facilities providing services in accordance with local solid waste handling requirements to bring that concern and supporting evidence to the advisory board. The bill would delete the requirement that the board submit the concern to the department for further analysis and would instead require that the advisory board, rather than the department, offer a recommendation for resolution within 90 days of submission of the request for a preliminary evaluation. The bill would thereafter authorize either party to initiate nonbinding arbitration, as specified. The bill would make the adviser’s decision in a nonbinding arbitration final unless within 30 days after the arbitrator delivers the decision to the advisory board a party requests that the department conduct a de novo adjudicative proceeding.

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**SB 353**

(Dodd D) **Beverage containers: recycling.**

Status: 6/8/2023-Referral to Com. on NAT. RES.

Location: 6/8/2023-A. NAT. RES.

Summary: The California Beverage Container Recycling and Litter Reduction Act, of which a violation is a crime, requires a distributor to pay a redemption payment for every beverage container sold or offered for sale in the state. The act defines the term “beverage container” to mean the individual, separate bottle, can, jar, carton, or other receptacle, however denominated, in which a beverage is sold, and which is constructed of metal, glass, or plastic, or other material, or any combination of these materials, but does not include caps or other similar open or loosely sealed receptacles. The act defines “beverage” to include certain types of products in liquid, ready-to-drink form, including carbonated fruit drinks and noncarbonated fruit drinks that contain any percentage of fruit juice, but not 100% fruit juice in 46-ounce containers or larger or vegetable juice in 16-ounce containers or larger. This bill would expand the application of the act to any size container of 100% fruit and any size container of vegetable juice, beginning January 1, 2024.

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Notes: Sign-on support letter.

**SB 560**

(Laird D) **Solid waste: gas cylinders: stewardship program.**

**Status:** 6/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/8/2023)(May be acted upon Jan 2024)

**Location:** 5/19/2023-S. 2 YEAR

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**Notes:** Sign-on support letter.

**SB 615**

(Allen D) **Vehicle traction batteries.**

**Status:** 6/8/2023-Referred to Com. on E.S. & T.M.

**Location:** 6/8/2023-A. E.S. & T.M.

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**Notes:** Support in concept letter submitted to Sen. EQ and Sen. Transpo Committee.

**SB 665**

(Allen D) **Plastic waste: single-use plastics alternatives: working group.**

**Status:** 6/1/2023-Referred to Com. on NAT. RES.

**Location:** 6/1/2023-A. NAT. RES.

**Notes:** Sign-on support letter.

**Summary:** The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, generally regulates the disposal, management, and recycling of solid waste. The act establishes stewardship programs for various products, including, among others, carpet, mattresses, and pharmaceutical and sharps waste. This bill would establish a stewardship program for gas cylinder products, as defined, and would authorize producers of those products to establish one more producer stewardship organizations for that purpose. The bill would require each producer or producer stewardship organization to submit a gas cylinder stewardship plan to the department that details, among other things, convenient and accessible opportunities for the recovery of gas cylinders used by consumers. The bill would prohibit gas cylinder producers that are not participating in a department-approved stewardship plan from supplying, selling, or offering for sale gas cylinders in the state.

**Notes:** Sign-on support letter.
criteria, for determining the types of food service packaging that are reusable, recyclable, or compostable. This bill would require the California Environmental Protection Agency, by January 1, 2025, to establish a working group of the above-referenced state agencies to establish a framework for evaluating novel material types as they are developed, in order to inform state policy decisions designed to create a more sustainable and circular economy, as provided. The bill would require the working group to, among other things, develop recommendations related to novel material types, including the appropriate marketing of the material, the handling of the material at the end of its useful life, and how the material needs to be treated in relation to existing state policies, rules, and regulations.

**Position** | **Priority**
--- | ---
Support | Priority 2

**Notes:** Sign-on support (with suggestions) letter.

**SB 707**

(Newman D) **Responsible Textile Recovery Act of 2023.**

**Status:** 6/1/2023-In Assembly. Read first time. Held at Desk.

**Location:** 5/31/2023-A. DESK

**Summary:** The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, generally regulates the disposal, management, and recycling of solid waste. The act establishes stewardship programs for various products, including, among others, carpet, mattresses, and pharmaceutical and sharps waste. This bill would enact the Responsible Textile Recovery Act of 2023, which would require producers, as defined, either independently or through the creation of one or more stewardship organizations, to establish a stewardship program for the collection and recycling of a covered product. This bill would define a “covered product” to include any apparel or textile article that is unsuitable for reuse by a consumer in its current state or condition, except as specified. The bill would require a program operator, as defined, to submit a complete stewardship plan to the department for review and approval, disapproval, or conditional approval. The bill would require the program operator to review the plan at least every 5 years after approval. The bill would also require a program operator to submit an annual report to the department.

**Position** | **Priority**
--- | ---
Support | Priority 2

**Notes:** Sign-on support letter.

**SB 867**

(Allen D) **Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.**

**Status:** 6/1/2023-In Assembly. Read first time. Held at Desk.

**Location:** 5/31/2023-A. DESK

**Summary:** Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of $15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

**Position** | **Priority**
--- | ---
Watch | Priority 2

**Notes:** Sign-on support letter.

**Priority 3 (Monitor)**

**AB 9**

(Muratsuchi D) **Greenhouse gases: market-based compliance mechanism.**

**Status:** 6/2/2023-Failed Deadline pursuant to Rule 61(a)(8). (Last location was INACTIVE FILE on 6/1/2023)(May be acted upon Jan 2024)

**Location:** 6/2/2023-A. 2 YEAR
**Summary**: The California Global Warming Solutions Act of 2006 authorizes the State Air Resources Board to include the use of market-based compliance mechanisms in regulating greenhouse gas emissions. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the state board to initiate a regulatory process to evaluate potential updates to the market-based compliance mechanism, and would require regulatory changes to take effect no later than January 1, 2025. The bill would require the evaluation to focus on specified items, including whether the supply of emission allowances and carbon offsets are consistent with a linear trajectory toward the statewide greenhouse gas emissions reduction goal established in the state board's most recent scoping plan, rules for banking allowances to use for future compliance, and recommendations made by the Independent Emissions Market Advisory Committee and the state board's environmental justice advisory committee. The bill would require the state board, beginning January 1, 2028, and subsequently on a triennial basis, as specified, and in consultation with the Independent Emissions Market Advisory Committee and the environmental justice advisory committee, to conduct an evaluation of the market-based compliance mechanism, as provided.

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**AB 348**  
(Ting D)  
**Beverage containers: producer responsibility score.**

**Status**: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/9/2023)(May be acted upon Jan 2024)

**Location**: 4/28/2023-A. 2 YEAR

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**Summary**: The California Beverage Container Recycling and Litter Reduction Act annually requires, on or before March 1, a manufacturer of a beverage sold in a plastic beverage container subject to the California Redemption Value to report to the Department of Resources Recycling and Recovery the amount of virgin plastic and postconsumer recycled plastic used by the manufacturer for plastic beverage containers subject to the California Redemption Value for sale in the state in the previous calendar year. Current law requires the department to post this information on its internet website within 45 days. This bill would instead require the department to post this information on its internet website within 30 days.

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**AB 495**  
(Hoover R)  
**Battery recycling: records retention.**

**Status**: 3/16/2023-Referred to Com. on E.S. & T.M.

**Location**: 3/16/2023-A. E.S. & T.M.

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**Summary**: The Rechargeable Battery Recycling Act of 2006 requires each July 1, the Department of Toxic Substances Control to survey battery handling or battery recycling facilities, or both, and to post on its internet website the estimated amount, by weight, of each type of rechargeable battery returned for recycling in California during the previous calendar year. Current law makes the act inoperative on September 30, 2026, and repeals the act on January 1, 2027. This bill would require the department to continue to post that information on its internet website on and after October 1, 2026.

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**AB 557**  
(Hart D)  
**Open meetings: local agencies: teleconferences.**

**Status**: 6/7/2023-From committee: Do pass and re-refer to Com. on JUD. (Ayes 8. Noes 0.) (June 7). Re-referred to Com. on JUD.

**Location**: 6/7/2023-S. JUD.

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**Calendar**: 6/27/2023  1:30 p.m. - 1021 O Street, Room 2100  SENATE JUDICIARY, UMBERG, THOMAS, Chair

**Summary**: The Ralph M. Brown Act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference
location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency’s jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2024, authorizes a local agency to use teleconferencing without complying with those specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect, or in other situations related to public health, as specified. If there is a continuing state of emergency, or if state or local officials have imposed or recommended measures to promote social distancing, current law requires a legislative body to make specified findings not later than 30 days after the first teleconferenced meeting, and to make those findings every 30 days thereafter, in order to continue to meet under these abbreviated teleconferencing procedures. Current law requires a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures to give notice of the meeting and post agendas, as described, to allow members of the public to access the meeting and address the legislative body, to give notice of the means by which members of the public may access the meeting and offer public comment, including an opportunity for all persons to attend via a call-in option or an internet-based service option. Current law prohibits a legislative body that holds a teleconferenced meeting under these abbreviated teleconferencing procedures from requiring public comments to be submitted in advance of the meeting and would specify that the legislative body must provide an opportunity for the public to address the legislative body and offer comment in real time. This bill would extend the above-described abbreviated teleconferencing provisions when a declared state of emergency is in effect, or in other situations related to public health, as specified, indefinitely.

**Position**  | **Priority**  
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Watch | Priority 3  
(Monitor)

**AB 573**  
(Garcia D) Organic waste: meeting recovered organic waste product procurement targets.  
**Status:** 6/1/2023-In Senate. Read first time. To Com. on RLS. for assignment.  
**Location:** 6/1/2023-S. RLS.  
**Summary:** Current law requires, no later than January 1, 2018, the State Air Resources Board to approve and begin implementing a comprehensive short-lived climate pollutant strategy to achieve a certain reduction in statewide emissions of methane, including a goal of a 75% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025. Current law requires the Department of Resources Recycling and Recovery, in consultation with the state board, to adopt regulations to achieve these organic waste reduction goals, that provide for, among other things, the calculation by the department of recovered organic waste product procurement targets for each local jurisdiction, and that may include penalties to be imposed by the department for noncompliance. This bill would require the department, for purposes of those regulations, to allow a local jurisdiction, until December 1, 2039, in procuring recovered organic waste products to meet the target procurement requirements, to use California-derived recovered organic waste that the local jurisdiction sends for processing at a facility or operation outside of the state that meets certain conditions, as provided.

**Position**  | **Priority**  
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Watch | Priority 3  
(Monitor)

**AB 592**  
(Wilson D) Vehicles: nonfranchise solid waste haulers.  
**Status:** 6/7/2023-In committee: Hearing postponed by committee.  
**Location:** 5/24/2023-S. GOV. & F.  
**Summary:** Would authorize a county to adopt an ordinance to regulate the transport of solid waste by nonfranchise solid waste haulers on public roads in unincorporated areas of the county, as provided.

**Position**  | **Priority**  
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Watch | Priority 3  
(Monitor)

**AB 648**  
(Valencia D) Common interest developments: procedures: meetings by teleconference.  
**Status:** 6/6/2023-From committee: Do pass and re-refer to Com. on JUD. (Ayes 11. Noes 0.) (June 6). Re-referred to Com. on JUD.  
**Location:** 6/6/2023-S. JUD.  
**Summary:** Would require a county to adopt an ordinance to regulate the transport of solid waste by nonfranchise solid waste haulers on public roads in unincorporated areas of the county, as provided.

**Position**  | **Priority**  
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Watch | Priority 3  
(Monitor)
Chair

Summary: Current law, the Davis-Stirling Common Interest Development Act, governs the management and operation of common interest developments. Current law defines a board meeting as a congregation or a teleconference, as provided. Current law requires, among other things, a board meeting held by teleconference to identify at least one physical location so that members of the association may attend, except as provided. Current law also establishes alternative teleconferencing procedures for a board meeting or a meeting of the members if gathering in person is unsafe or impossible because the common interest development is in an area affected by a federal, state, or local emergency. This bill would authorize a board meeting or a meeting of the members to be conducted entirely by teleconference if specified conditions are satisfied.

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**AB 817** (Pacheco D) Open meetings: teleconferencing: subsidiary body.

Status: 5/5/2023-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 3/16/2023) (May be acted upon Jan 2024)

Location: 5/5/2023-A. 2 YEAR

Summary: Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. This bill would authorize a subsidiary body, as defined, to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency. In order to use teleconferencing pursuant to the Ralph M. Brown Act, the bill would require the legislative body that established the subsidiary body by charter, ordinance, resolution, or other formal action to make specified findings by majority vote, before the subsidiary body uses teleconferencing for the first time and every 12 months thereafter.

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**AB 861** (Santiago D) Hazardous waste: Exide Technologies facility.


Location: 6/1/2023-S. RLS.

Summary: Would require the Board of Environmental Safety to contract with an entity that has expertise in remediating contaminated sites for the purpose of reviewing the Department of Toxic Substances Control’s residential cleanup near the former Exide Technologies lead-acid battery recycling facility in the City of Vernon. The bill would require the contractor to use only existing data in its review, but, if necessary, the bill would authorize the contractor to take, review, and analyze limited samples. The bill would require the contractor to meet with members of the community to hear comments or concerns about the cleanup and provide its findings to the board, as specified. The bill would require the board to post the contractor’s findings on the board’s internet website.

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**AB 891** (Irwin D) Beverage container recycling: nonpetroleum materials.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/3/2023)(May be acted upon Jan 2024)

Location: 5/19/2023-A. 2 YEAR

Summary: The California Beverage Container Recycling and Litter Reduction Act requires a beverage manufacturer to pay to the Department of Resource Recovery and Recycling a processing fee for each beverage container sold or transferred and requires the department to distribute those fees, with other moneys, as processing payments to processors and recycling centers. Beginning January 1, 2025, this bill would require the department to provide a 10% reduction in the processing fee applicable to the percentage of a beverage container, by weight, that derives from nonpetroleum biomaterials, not to exceed 50% of the total beverage container weight sold. The bill would require an independent third party to certify the recyclability and percentage of nonpetroleum biomaterials used.
in beverage containers, as specified. The bill would require the department to charge a fee to cover its reasonable costs of implementing these provisions.

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**AB 895**  
(Chen R) Solid waste: management.

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 3/23/2023)(May be acted upon Jan 2024)

**Location:** 4/28/2023-A. 2 YEAR

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**Summary:** Current law requires the State Air Resources Board to complete a comprehensive strategy to reduce emissions of short-lived climate pollutants in the state and to approve and begin implementing the strategy to achieve a reduction in the statewide emissions of methane by 40% below 2013 levels by 2030, among other goals. Current law requires the methane emissions goals to reduce the landfill disposal of organics by meeting specified targets that include a 50% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2020 and a 75% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025. Current law authorizes the Department of Resources Recycling and Recovery, in consultation with the state board, to adopt regulations that achieve the specified targets for reducing organic waste in landfills. Current law authorizes local jurisdictions to charge and collect fees to recover the local jurisdiction’s costs incurred in complying with those regulations. Current law also requires, no later than July 1, 2020, the department, in consultation with the state board, to analyze the progress that the waste sector, state government, and local governments have made in achieving the specified targets for reducing organic waste in landfills. Current law authorizes the department, depending on the outcome of that analysis, to amend the regulations to include incentives or additional requirements, as specified. This bill would require the department to analyze the progress that the waste sector, state government, and local governments have made in achieving the organic waste reduction goals for 2020 and 2025 every 5 years.

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**AB 909**  
(Hoover R) Solid Waste Disposal and Codisposal Site Cleanup Program.

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

**Location:** 5/19/2023-A. 2 YEAR

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**Summary:** Would authorize the Department of Resources Recycling and Recovery, beginning July 1, 2024, and upon appropriation by the Legislature, to collect and properly manage illegally disposed hazardous waste and household hazardous waste, as defined, regardless of whether they were codisposed with nonhazardous solid waste. The bill would require the department to annually seek up to $500,000 from the Department of Toxic Substances Control in reimbursement for grants awarded and program costs incurred. The bill would also prohibit the department from expending funds from the Integrated Waste Management Fund for purposes of this program in excess of the amount reimbursed by the Department of Toxic Substances Control.

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**AB 998**  

**Status:** 6/7/2023-Referred to Com. on E., U. & C.

**Location:** 6/7/2023-S. E. U., & C.

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**Calendar:** 6/20/2023 9 a.m. - 1021 O Street, Room 1200 SENATE ENERGY, UTILITIES AND COMMUNICATIONS, BRADFORD, STEVEN, Chair

**Summary:** Current law requires an electrical corporation, local publicly owned electric utility, or community choice aggregator with a contract to procure electricity generated from biomass that expires or expired on or before December 31, 2028, to seek to amend the contract to include, or seek approval for a new contract that includes, an expiration date 5 years later than the expiration date in the contract that was operative in 2022, except as specified. This bill would require the State Energy Resources Conservation and Development Commission, on or before December 31, 2024, to issue a
report on the utility-scale biomass combustion facilities still in operation as of January 1, 2024. The bill would require the report to include various assessments of biomass combustion facilities still in operation as of January 1, 2024, and options to maximize the environmental benefits of these facilities. The bill would also require the report to include a recommended strategy to upgrade biomass combustion facilities, where appropriate, that considers impacts on disadvantaged, rural, forested, and agricultural communities, impacts on the ability to maintain existing capacity for managing forest or other excess biomass, the cost of upgrading facilities and financing opportunities, impacts of upgrading biomass combustion facilities on the procurement costs of the energy produced and the associated impacts to ratepayer costs, and job creation or job loss that may result from the strategy.

### AB 1216  
(Muratsuchi D)  
**Wastewater treatment plants: monitoring of air pollutants.**

**Status:** 5/31/2023-Refereed to Com. on E.Q.

**Location:** 5/31/2023-S. E.Q.

**Calendar:** 6/21/2023 9 a.m. - 1021 O Street, Room 1200  SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

**Summary:** Would require, on or before January 1, 2025, the owner or operator of a wastewater treatment facility that is located within 1,500 feet of a residential area and has an original design capacity of 425,000,000 gallons or more per day to develop, install, operate, and maintain a wastewater treatment-related fence-line monitoring system in accordance with guidance developed by the appropriate air quality management district. The bill would require the wastewater treatment-related fence-line monitoring system to include equipment capable of measuring pollutants of concern, including hydrogen sulfide, nitrogen oxides, and volatile organic compounds emitted to the atmosphere from wastewater treatment or reclamation processes that the appropriate district deems appropriate for monitoring. The bill would also require the owner or operator of a wastewater treatment facility to collect real-time data from the wastewater treatment-related fence-line monitoring system, to maintain records of that data, and to transmit the data to the appropriate air quality management district in accordance with the district’s guidance. In addition, the bill would require, to the extent feasible, the data generated by these systems to be provided to the public as quickly as possible in a publicly accessible format.

### AB 1534  
(Irwin D)  
**Methane emissions: municipal solid waste landfills: remote sensing data.**

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/26/2023)(May be acted upon Jan 2024)

**Location:** 5/19/2023-A. 2 YEAR

**Summary:** Current law requires the State Air Resources Board to approve and begin implementing a comprehensive short-lived climate pollutant strategy, as specified, to achieve a reduction in the statewide emissions of methane by 40 percent below 2013 levels by 2030, and requires methane emissions reduction goals to include specified targets to reduce the landfill disposal of organics. The state board has implemented regulations pursuant to the California Global Warming Solutions Act of 2006 for the purpose of reducing methane emissions from municipal solid waste landfills. This bill would require the state board, no later than June 30, 2026, to evaluate and, if feasible and to the extent data is available, revise those regulations to incorporate the use of methane remote sensing data.

### AB 1590  
(Friedman D)  
**Major coastal resorts: coastal development permits: audits: waste.**

**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 4/11/2023)(May be acted upon Jan 2024)

**Location:** 4/28/2023-A. 2 YEAR

**Summary:** The California Coastal Act of 1976, among other things, requires anyone wishing to perform or undertake any development in the coastal zone, except as specified, in addition to obtaining any other permit required by law from any local government or from any state, regional, or local agency, to obtain a coastal development permit from the California Coastal Commission or a local government, as
provided. This bill would establish the Major Coastal Resorts Environmental Accountability Act, and would define “major coastal resort” for these purposes. The bill would require the commission, with the assistance of a qualified consultant, to every 2 years prepare an audit of a major coastal resort’s compliance with specified provisions, including the coastal development permit, as provided. The bill would require the major coastal resort to provide for the qualified consultant’s compensation for the audit, as provided.

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**AB 1628**  
(McKinnor D)  
**Microfiber filtration.**  
**Status:** 6/1/2023-In Senate. Read first time. To Com. on RLS. for assignment.  
**Location:** 6/1/2023-S. RLS.

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**Summary:** Would require, on and after January 1, 2029, that all new washing machines offered for sale in California for residential, commercial, or state use contain a microfiber filtration system, as defined, with a mesh size not greater than 100 micrometers.

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**AB 1716**  
(Committee on Environmental Safety and Toxic Materials)  
**Hazardous wastes and materials:**  
certified unified program agencies.  
**Status:** 6/7/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.Q.  
**Location:** 5/24/2023-S. E.Q.

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**Calendar:** 6/21/2023 9 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair  
**Summary:** Current law authorizes the Department of Toxic Substances Control to grant a variance from requirements for certain wastes, including recyclable materials, as defined, under specified conditions. Current law provides that a recyclable material shall be excluded from classification by the department as a waste only if the recyclable material is held in a container or tank that is labeled, marked, and placarded in accordance with department requirements, the owner or operator of the business location where the recyclable material is located has a business plan, as specified, and the recyclable material is stored and handled in accordance with all local ordinances and codes. This bill would revise the requirements for the exclusion of a recyclable material from classification by the department as a waste by requiring, among other things, that (A) the material be held in a container, tank, containment building, or waste pile that meets the requirements of the department's interim status regulations applicable to containers, tanks, containment buildings, or waste piles in which the material is held be labeled, marked, and placarded in accordance with the department's hazardous waste labeling, marking, and placarding requirements applicable to generators, as provided, and (C) the required labeling or marking be posted on signage at the location where the material is stored if labeling or marking the container or tank is not practicable.

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**SB 12**  
(Stern D)  
**California Global Warming Solutions Act of 2006: emissions limit.**  
**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/15/2023)(May be acted upon Jan 2024)  
**Location:** 5/19/2023-S. 2 YEAR

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**Summary:** Under the California Global Warming Solutions Act of 2006, the State Air Resources Board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by no later than December 31, 2030. Under the act, a violation of a rule, regulation, order, emission limitation, emission reduction measure, or other measure adopted by the state board under the act is a crime. This bill instead would require the state board to ensure that statewide greenhouse gas emissions are reduced to at least 55% below the 1990 level by no later than December 31, 2030.
**SB 272**  
(Laird D) **Sea level rise: planning and adaptation.**  
**Status:** 6/6/2023-From committee with author's amendments. Read second time and amended. Referred to Com. on NAT. RES.  
**Location:** 6/1/2023-A. NAT. RES.  

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**Calendar:** 6/19/2023 2:30 p.m. - State Capitol, Room 447  
ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair  

**Summary:** Current law creates within the Ocean Protection Council the California Sea Level Rise State and Regional Support Collaborative to provide state and regional information to the public and support to local, regional, and other state agencies for the identification, assessment, planning, and, where feasible, the mitigation of the adverse environmental, social, and economic effects of sea level rise within the coastal zone, as provided. This bill would require a local government, as defined, lying, in whole or in part, within the coastal zone, as defined, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined, to implement sea level rise planning and adaptation through either submitting, and receiving approval for, a local coastal program, as defined, to the California Coastal Commission or submitting, and receiving approval for, a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission, as applicable, on or before January 1, 2034, as provided. By imposing additional requirements on local governments, the bill would impose a state-mandated local program. The bill would require local governments that receive approval for sea level rise planning and adaptation on or before January 1, 2029, to be prioritized for sea level rise funding, upon appropriation by the Legislature, for the implementation of projects in the local government's approved sea level rise adaptation plan.

**Position**  
Watch Priority 3  
(Monitor)

**SB 367**  
(Seyarto R) **Farm, ranch, and public lands cleanup and abatement: grant program.**  
**Status:** 6/8/2023-Referred to Com. on NAT. RES.  
**Location:** 6/8/2023-A. NAT. RES.  

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**Summary:** Would rename the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program the Farm, Ranch, and Public Lands Solid Waste Cleanup and Abatement Grant Program and extend its purposes to cleaning up and abating the effects of solid waste that is illegally disposed of on public lands owned by the state or federal government. The bill would create the Public Lands Solid Waste Cleanup and Abatement Account in the General Fund and would authorize the department to expend the moneys in the account for these extended grant program purposes upon appropriation by the Legislature in the annual Budget Act.

**Position**  
Watch Priority 3  
(Monitor)

**SB 378**  
(Gonzalez D) **State parks: state beaches: expanded polystyrene food container and cooler ban.**  
**Status:** 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was N.R. & W. on 2/22/2023)(May be acted upon Jan 2024)  
**Location:** 4/28/2023-S. 2 YEAR  

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**Summary:** Would make it an infraction punishable by a fine of up to $25 for a person to bring an expanded polystyrene, as defined, food container or cooler on a state beach, as defined, or in a unit of a state park system, as defined, and for improper disposal, as provided. The bill would establish a state-mandated local program by creating a new crime. The bill would provide that a person who violates this provision for the first time shall be subject to a warning by an officer of the state parks.

**Position**  
Watch Priority 3  
(Monitor)

**SB 443**  
(Gonzalez D) **Drinking water: schools.**  
**Status:** 2/22/2023-Referred to Com. on RLS.
Summary: Current law requires school districts and charter schools to allow pupils, teachers, and staff to bring and carry water bottles, except as provided. This bill would make nonsubstantive changes to that provision.

Position
Watch
Priority
Priority 3
(Monitor)

SB 511
(Blakespear D) Greenhouse gas emissions inventories.
Status: 6/1/2023-Referred to Com. on NAT. RES.
Location: 6/1/2023-A. NAT. RES.
Calendar: 6/19/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair
Summary: The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. This bill would require the state board, before January 1, 2028, to develop, and publish on its internet website, a report on greenhouse gas emissions inventories for the calendar year 2025 for each city, county, or city and county that requests inclusion in the report, as provided. The bill would require the state board, consistent with the preparation of the updates to the scoping plan and before January 1, 2033, and every 5 years thereafter, to update the inventories, for each city, county, or city and county that requests inclusion in the respective update, for the calendar year 2030 and every 5th year thereafter. The bill would authorize the state board to solicit bids and enter into contracts for the development of the inventories. The bill would require the state board, before January 1, 2026, to establish a local government advisory committee to inform its development of the greenhouse gas emissions inventories.

Position
Watch
Priority
Priority 3
(Monitor)

SB 537
(Becker D) Open meetings: multijurisdictional, cross-county agencies: teleconferences.
Status: 5/31/2023-In Assembly. Read first time. Held at Desk.
Location: 5/30/2023-A. DESK
Summary: Current law, under the Ralph M. Brown Act, requires that, during a teleconference, at least a quorum of the members of the legislative body participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. Current law, until January 1, 2024, authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency or in other situations related to public health that exempt a legislative body from the general requirements (emergency provisions) and impose different requirements for notice, agenda, and public participation, as prescribed. The emergency provisions specify that they do not require a legislative body to provide a physical location from which the public may attend or comment. Current law, until January 1, 2026, authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member if at least a quorum of its members participate from a singular physical location that is open to the public and situated within the agency’s jurisdiction and other requirements are met, including restrictions on remote participation by a member of the legislative body. These circumstances include if a member shows “just cause,” including for a childcare or caregiving need of a relative that requires the member to participate remotely. This bill would expand the circumstances of “just cause” to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

Position
Watch
Priority
Priority 3
(Monitor)

SB 552
(Newman D) Solid waste: single-use foodware accessory and single-use food packaging.
Status: 2/22/2023-Referred to Com. on RLS.
Location: 2/15/2023-S. RLS.
**SB 568**  
**Newman** D  
**Electronic waste: export.**  
**Status:** 6/5/2023-Referred to Coms. on E.S. & T.M. and NAT. RES. pursuant to Assembly Rule 96.  
**Location:** 6/5/2023-A. E.S. & T.M.  
**Summary:** The Electronic Waste Recycling Act of 2003, enacts a comprehensive system for the reuse, recycling, and proper and legal disposal of covered electronic devices, as provided. The act requires a person who exports covered electronic waste, or covered electronic devices, except as specified, intended for recycling or disposal, to a foreign country, or to another state for ultimate export to a foreign country, to notify the department of certain matters concerning the waste or device to be exported. Current law requires the exporter to include with those notifications specified demonstrations, including a demonstration that exportation of the waste or device will be managed within the country of destination only at facilities whose operations meet or exceed specified recommendations and guidelines of the Organization for Economic Cooperation and Development. The act becomes inoperative if certain conditions are met. A violation of the act is a crime. This bill would add to the requirements for export of covered electronic waste or a covered electronic device a requirement for the person to state that they attempted to locate an in-state e-waste recycling facility before exporting the waste or device and would subject the person to a fine of up to $1,000 for a false statement.

**SB 613**  
**Seyarto** R  
**Organic waste: reduction goals: local jurisdictions: low-population exemption.**  
**Status:** 6/8/2023-Referred to Com. on NAT. RES.  
**Location:** 6/8/2023-A. NAT. RES.  
**Summary:** Current law requires, no later than January 1, 2018, the State Air Resources Board to approve and begin implementing a comprehensive short-lived climate pollutant strategy to achieve a certain reduction in statewide emissions of methane, including a goal of a 75% reduction in the level of the statewide disposal of organic waste from the 2014 level by 2025. Current law requires the Department of Resources Recycling and Recovery, in consultation with the state board, to adopt regulations that achieve those targets for reducing organic waste in landfills that may include, among other things, different levels of requirements for local jurisdictions and phased timelines based upon their progress in meeting the organic waste reduction goals, and penalties to be imposed by the department for noncompliance. This bill would exempt a local jurisdiction, as defined, from those requirements and regulations until December 31, 2028, if the local jurisdiction disposes of fewer than 5,000 tons of solid waste per year and has fewer than 7,500 people, as provided.

**SB 638**  
**Eggman** D  
**Climate Resiliency and Flood Protection Bond Act of 2024.**  
**Status:** 6/1/2023-In Assembly. Read first time. Held at Desk.  
**Location:** 5/31/2023-A. DESK  
**Summary:** Would enact the Climate Resiliency and Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of $6,000,000,000 pursuant to the State General Obligation Bond Law, for flood protection and climate resiliency projects.
**SB 642**  
(Cortese D) Hazardous materials: enforcement: county counsel.  
**Status:** 5/18/2023-Referred to Coms. on E.S. & T.M. and JUD.  
**Location:** 5/18/2023-A. E.S. & T.M.  

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**Calendar:** 6/20/2023 1:30 p.m. - State Capitol, Room 444 ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, LEE, ALEX, Chair  
**Summary:** Current law authorizes the city attorney, district attorney, and the Attorney General, at the request of the Department of Toxic Substances Control or a unified program agency, to bring an action seeking to enjoin a violation of laws and regulations governing the generation, transportation, and disposal of hazardous materials. Current law specifies that every civil action brought at the request of the department or a unified program agency is to be brought by the city attorney, the county attorney, the district attorney, or the Attorney General in the name of the people of the State of California and that those actions relating to the same processing or disposal of hazardous waste may be joined or consolidated. This bill would authorize the county counsel to bring an action seeking to enjoin a violation of laws and regulations governing the generation, transportation, and disposal of hazardous materials. The bill would specify that county counsel, at the request of the department or a unified program agency, is authorized to bring a civil action in the name of the people of the State of California to enforce laws and regulations governing the generation, transportation, and disposal of hazardous materials.

**Position**  
Watch Priority 3 (Monitor)

**SB 728**  
(Limón D) Plastic gift cards: prohibition.  
**Status:** 5/26/2023-Referred to Com. on NAT. RES.  
**Location:** 5/26/2023-A. NAT. RES.  

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**Calendar:** 6/19/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair  
**Summary:** Would prohibit, beginning January 1, 2026, the sale or distribution of plastic gift cards, except those that are both usable with multiple unaffiliated sellers of goods and that have the expiration date, if any, printed on the card.

**Position**  
Watch Priority 3 (Monitor)

**SB 777**  
**Status:** 6/1/2023-Referred to Com. on NAT. RES.  
**Location:** 6/1/2023-A. NAT. RES.  

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**Summary:** The California Integrated Waste Management Act of 1989, administered by the Department of Resources Recycling and Recovery, generally regulates the disposal, management, and recycling of solid waste. Current law prohibits certain stores from providing a single-use carryout bag to a customer and prohibits those stores from selling or distributing a reusable grocery bag or a recycled paper bag at the point of sale unless the store makes that bag available for purchase for not less than $0.10. Current law requires a store to retain those collected moneys to be used only for costs associated with complying with those provisions, actual costs of providing recycled paper bags or reusable grocery bags, and costs associated with a store’s educational materials or educational campaign encouraging the use of reusable grocery bags. Current law authorizes a city, county, city and county, or the state to impose civil penalties on a person or entity that knows or reasonably should have known it is in violation of those requirements. This bill would require a store to retain the collected moneys to also be used for costs associated with providing consumers with an opportunity for returning reusable grocery bags to the store for recycling, and any other costs associated with ensuring that collected bags are recycled.

**Position**  
Watch Priority 3 (Monitor)

**SB 806**  
(Archuleta D) Trash receptacles and storage containers: reflective markings: enforcement.  
Summary: Current law requires, commencing January 1, 2025, a manufacturer who sells or provides for compensation, and, commencing January 1, 2026, an owner of, a trash receptacle or storage container that is longer than 3 feet and taller than 4 feet and that is designed to be placed on a roadway or the curb of a roadway in order to be emptied or picked up to mark the receptacle or container with a reflector on each side, as specified. Current law provides that a violation of these requirements would result in a criminal infraction punishable by a fine, as specified. This bill would authorize the Attorney General, or the district attorney or city attorney in the location where the violation is observed, to enforce a violation of the above-described provisions.

**Position** | **Priority**
--- | ---
Watch | Priority 3 (Monitor)

**SB 854** (Smallwood-Cuevas D) Carpet recycling: carpet stewardship.

**Status:** 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 3/29/2023) (May be acted upon Jan 2024)

**Location:** 5/19/2023-S. 2 YEAR

Summary: Would, commencing with the July 1, 2024, fiscal year require a carpet stewardship organization to make available up to 10% percent of the assessments collected for the sale of carpet for use in California for grants to apprenticeship programs for training apprentice and journey-level carpet installers in proper carpet recycling practices, as provided.

**Position** | **Priority**
--- | ---
Watch | Priority 3 (Monitor)

Total Measures: 56
Total Tracking Forms: 56
INFORMATIONAL ITEMS ONLY
STAFF REPORT

To: RethinkWaste Board Members  
From: Tj Carter, Program Manager II, Recycling and Compliance  
Date: June 22, 2023 Board of Directors Meeting  
Subject: Update on the Status of SB 1383 Implementation and Compliance

Summary
As detailed in the 2021 RethinkWaste SB 1383 Memorandum of Understanding authorized by the RethinkWaste Board of Directors and RethinkWaste Member Agencies, RethinkWaste staff has been delegated a significant portion of the SB 1383 program responsibilities.

Staff has updates on the following item:

1. Contamination Monitoring Route Reviews
SB 1383 requires jurisdictions to conduct annual contamination monitoring of all three containers to keep the organics waste stream clean. RethinkWaste, with the help of SCS Engineers, will lead and conduct this review through lid flips of randomly selected containers on each collection route for landfill, recyclable materials, and organic materials for both residential and commercial routes in every Member Agency jurisdiction.

RethinkWaste recognizes that there may be privacy concerns related to monitoring of containers and has identified a number of protocols to increase safety and trust in the community during contamination monitoring. This includes SCS Engineers team members wearing vests and name tags and carrying letters detailing the contamination monitoring efforts on behalf of the jurisdiction.

Additionally, SCS Engineers will educate accounts that were identified to have contamination about proper sorting of materials and consequences for future contamination and maintain records pursuant to the reporting requirements of SB 1383 regulations. SCS Engineers is set to begin the contamination monitoring process in August 2023.

RethinkWaste will formally contact designated Member Agency’s elected officials, city manager and key city staff, including law enforcement departments, ahead of contamination monitoring reviews and is providing template language about the efforts in bill inserts, newsletters, and social media.

2. Electronic Annual Report (EAR) and SB 1383 Reporting
RethinkWaste Staff has retained Ascent Environmental to support the 2022 Electronic Annual Reports and SB 1383 Annual Jurisdiction Report. These combined reports are due August 1, 2023. The RethinkWaste and Ascent Environmental have reached out to TAC Members to collect data needed for these reports.
3. **Compost Collection Rollout Progress**
   RethinkWaste, SCS Engineers, and Recology continue to contact all residential, commercial, and multi-family generators who are not currently complaint with SB 1383 requirements by the end of the year before enforcement begins on January 1, 2024. Contact with generators has included non-compliance letters, phone calls, emails, and on-site visits.

**Background**
In September 2016, SB 1383 (Lara, Chapter 395, Statutes of 2016) established statewide methane emissions reduction targets in an effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. It includes statewide goals to reduce the disposal of organic waste and recover edible food for human consumption. To accomplish these statewide goals, SB 1383 regulations were developed, which were approved on November 3rd 2020, and include prescriptive requirements for jurisdictions related to recycling and organics collection, inspection, and enforcement policies and programs and edible food recovery. The RethinkWaste and its Member Agencies need to comply with nearly all SB 1383 requirements by January 1, 2022 with the significant exception that enforcement actions do not need to commence until January 1, 2024.

More information regarding SB 1383 can be found online at [www.calrecycle.ca.gov/organics/slcps](http://www.calrecycle.ca.gov/organics/slcps).

**Fiscal Impact**
None.

*Attachments:*

None.
To:       SBWMA Board Members
From:     John Mangini, Senior Finance Manager
Date:     June 22, 2023, Board of Directors Meeting
Subject:  2023 Finance and Rate Setting Calendar

Recommendation
This is an informational report, and no action is necessary.

Summary
The purpose of this staff report is to keep the Board and Member Agency staff informed on the schedule of important financial and rate setting events in 2023. This staff report is updated as necessary and included in the Board packet each month.

2023 Schedule of Finance, Contractor Compensation and Rate Adjustment Activities:

February 2023
- Recology submits SB 1383 compliance cost projections for expanded account support services for agency review (Due: Feb. 17) (Complete)

March 2023
- Recology submission of the unaudited 2022 Revenue Reconciliation Report (Due: March 31) (Complete)

April 2023
- Board consideration of Recology's proposed costs of expanded SB 1383 support services (Complete)

June 2023
- Mid-year review of the adopted FY2023 SBWMA Operating Budget (June 13-Finance Committee; June 22-BOD)
- Recology's 2024 Compensation Application submission to the SBWMA/Member Agencies (Due: June 15)
- SBWMA / Member Agency submit comments to Recology on its 2024 Compensation Application (Due: June 30)
- SBWMA issues Member Agency letters requesting formal confirmation on their estimated 2024 Member Agency fees (e.g., franchise fees) to be included in their 2024 solid waste rates.
- Review of Recology's Revenue Reconciliation Report from the independent Financial Systems audit report
- Approval of the FY2022 Audited Financial Statements

July 2023
- Planning Note: No 2024 Compensation Application from SBR will be submitted this year due to contractor transition. 2024 Facility Operations costs will be based on negotiated costs during recent contract award process.
- Recology revised 2024 Compensation Application submission to SBWMA/Member Agencies (Due: July 14)
- SBWMA issues the following reports to the Board and Member Agency staff for review and comment:
  - 1. Estimated 2023 and 2024 residential and commercial base revenue
  - 2. Estimated collected tonnage for 2023 and 2024.
3. Summary of 2024 Member Agency fees to be used in the 2024 cost projections based on Member Agency feedback.

August 2023
- SBWMA issues the Draft Report Reviewing Recology's 2024 Compensation Application, recommended total Revenue Requirement, and Rate Adjustment (Due: August 11) Comments due from Member Agencies on draft Reports Reviewing Recology's 2024 Compensation Application (Due: August 25)

September 2023
- SBWMA TAC Meeting reviewing Pre-Final Report Reviewing Recology's 2024 Compensation Application (September 14).
- SBWMA issues Amended Final Report Reviewing Recology's 2024 Compensation Application including the recommended total Collection Rate Adjustment for 2024. (September BOD Packet)
- Approval of Recology 2024 Compensation Application and total recommended Revenue Requirement (September 28 BOD Meeting)

October 2023
- Finance Committee review of SBWMA’s DRAFT FY2024 Budget (October 10 Meeting)
- SBWMA Board Study Session: Review (Draft) 2024 Fiscal Year Budget + CIP Plan (October 26)

September – December 2023
- Member Agencies establish/issue Prop. 218 notices and approve their final 2024 solid waste rates

November 2023
- Approval of the SBWMA’s Final Fiscal Year 2024 Budget at the November 16th Board meeting
To:               SBWMA Board Members  
From:            John Mangini, Senior Finance Manager  
Date:            June 22, 2023 Board of Directors Meeting  
Subject:         Check Register Detail for April and May 2023

Recommendation  
This is an informational item only and no action is required. This report was requested by the Board members.

Summary  
The purpose of this report is to provide transparency to the Board and the public on the actual spending by the SBWMA. All payments issued in April and May 2023 are listed on the attached (Attachment A) report for review.

Analysis  
As of July 1, 2019, the SBWMA entered into a contract with the City of Redwood City for accounting services including the issuing of all payments and deposit of all receipts. In accordance with the SBWMA and the City of Redwood City's policies, checks are normally issued every two weeks. All SBWMA invoices are approved for payment by the program manager and then by the Executive Director or Finance Manager. The total transactions for April 2023 summed $4,528,353.86 and for March 2023 summed $4,697,163.41 as detailed in Attachment A.

If you have any questions on this, please contact Cyndi Urman or John Mangini.

Attachments:  
Attachment A – April and May 2023 Check Register Detail
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<th>Num</th>
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<td>JOHN HANCOCK USA</td>
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<td>EAST BAY MUNICIAL UTILITY DISTRICT</td>
<td>Invl 8029059; Shoreway Environmental Otr Permit Renewal February 2023</td>
<td>507015 Wells Fargo Bank</td>
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<td>T3 TECHNICAL ENGINEERING</td>
<td>Inv# 2211-011 SBWMA Jan-Feb 23; March 2023 Client Analysis Service Charge</td>
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<td>04/12/2023</td>
<td>11636</td>
<td>SCAFFS INC</td>
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04/12/2023 11642 WELLS FARGO Acct# 4856 2003 7906 1909 Outstanding Balance as of: 03/28/2023 100010 Wells Fargo Bank Check (1,300.99)

April 2023 503020 Utilities & Phone 667.64

04/12/2023 11642 WELLS FARGO Acct# 4856 2003 7906 1909 Outstanding Balance as of: 03/28/2023 100010 Wells Fargo Bank Check (1,300.99)

04/12/2023 11642 WELLS FARGO Outstn Balance as of: 03/28/2023 100010 Wells Fargo Bank Check (1,300.99)

04/12/2023 11642 WELLS FARGO Acct# 4856 2003 7906 1909 Outstanding Balance as of: 03/28/2023 100010 Wells Fargo Bank Check (1,300.99)

Conference and Meetings 503060 Conferences & Meetings 667.64

Conference and Meetings 503060 Conferences & Meetings 47.98

Zoom Account Renewal 503030 Office Supplies 198.90

Canada Room Rental 503060 Conferences & Meetings 895.50

Community Events 506020 Community Events 895.50

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04/12/2023 11640 UNIVOP INC IN10953 100010 Wells Fargo Bank Check (667.64) 503020 Utilities & Phone 667.64

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04/12/2023 11640 UNIVOP INC IN10953 100010 Wells Fargo Bank Check (667.64) 503020 Utilities & Phone 667.64

04/12/2023 11640 UNIVOP INC IN10953 100010 Wells Fargo Bank Check (667.64) 503020 Utilities & Phone 667.64
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<td>Live scan fingerprinting: Manpreet Chandok; Meghan Pletsch</td>
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<td>5060206 Community Events</td>
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MASKS FOR SHOREWAY TOURS
05/10/2023 11675 KBA DOCUMENT SOLUTIONS LLC
Inv# 9504924
100010 Wells Fargo Bank
Check (450.15)
Office Equipment; Contract# 42087343
503035 Office Equipment Costs
450.15

05/10/2023 11677 PEN MEDIA
IN# 1233
Rethink Waste Board Meeting at SamTrans
100010 Wells Fargo Bank
502010 Board Administration
Check (670.00)
670.00

05/10/2023 11681 SCS ENGINEERS
Inv# 0465675
Proj# 01222116.00
100010 Wells Fargo Bank
Check (13,709.49)
Inv# 0451776
Proj# 01222116.00
100010 Wells Fargo Bank
Check (1,530.00)

05/10/2023 11683 SHRED-IT, c/o STERICYCLE, INC.
INV# 8003722007
CUST. 1000112195
100010 Wells Fargo Bank
Check (157.68)

05/10/2023 11685 UNIVOIP INC
IN11349
100010 Wells Fargo Bank
Check (666.26)

05/10/2023 WELLS FARGO
Acct# 4856 2003 7906 1909
Outstanding Balance as of: 04/27/2023
100010 Wells Fargo Bank
Check (4,639.02)

05/10/2023 HILARY GANS
Cell Phone 2022 12/07/2021-09/07/2022
Employee Expense Reimbursement & CRRA 2022 Conference Reimbursement
100010 Wells Fargo Bank
Check (1,525.24)

05/10/2023 JOE LA MARIANA
02/16/2023-04/22/2023
Employee Expense Reimbursement
Conferences and Meetings Expense: 02/16/2023-04/22/2023
100010 Wells Fargo Bank
Check (3,633.82)

05/10/2023 WIRE MODERN HR, INC.
PPE 5/06/23
100010 Wells Fargo Bank
Expense (67,393.30)
PPE 50000 Salaries - Admin
500100 Salaries - Recycling
500110 SB1383 Staff
25,421.50
36,833.75
4,267.00

PPE 500623
501000 Benefits - Payroll Taxes
1,137.24
501005 Benefits - Workers Comp Ins
367.70
501010 Benefits - Retirement Employee
(6,217.10)
501030 Benefits - CPE Fee
833.60
500150 Salaries - Car Allowance
3,350.00
502020 Salaries - Opt Out Medical
1,599.61

PPE 500623
100010 Wells Fargo Bank
Expense (1,238.31)
500000 Salaries - Admin
500100 Salaries - Recycling
500110 SB1383 Staff
1,156.56
501000 Benefits - Payroll Taxes
16.77
501005 Benefits - Workers Comp Ins
6.01
501010 Benefits - Retirement Employee
(23.13)
501030 Benefits - CPE Fee
82.10
500150 Salaries - Car Allowance
502020 Salaries - Opt Out Medical
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<td>11698 AAA BUSINESS SUPPLIES Inv#: 2265632-0</td>
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<td>ZANKER RECYCLING Inv# 202304345</td>
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<td>Anthem Blue Cross</td>
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<td>CITY OF SAN CARLOS</td>
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<td>GUARDIAN LIFE INSURANCE CO OF AMERICA</td>
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AGENDA ITEM: 9C ATTACHMENT A - p8
**STAFF UPDATE**

**2023 RethinkWaste Meeting Planning Guide**

- Board Meetings
- Finance Committee Meetings
- TAC Meetings
- Legislative Committee Meetings
- Pub Ed Committee Meetings (tbd)
- Zero-Waste Committee Meetings
- Agency-Sponsored Community Events

**Remaining 2023 Meetings Schedule**

**July 2023**

27: Zero Waste Committee
- Update on MRF Phase II
- Update on EV Fleet transition Project/CARB rulings
- Organics-to Energy Status
- Increasing solar at Shoreway

27: Board Meeting
- TBD

**August 2023**

No Board Meeting – DARK

10: TAC Meeting
- SB 1383 Implementation & Cost Update
- Route Review Planning

**September 2023**

12: Finance Committee Meeting

14: TAC Meeting
- SB 1383 Planning and Implementation Update
- Review of 2024 Recology and Operations Compensation Applications

28: Board Meeting (2PM to 4:30PM Extended Meeting Time)
- Closed Session: Executive Director Performance Evaluation
- Resolution Approving Annual Recology Compensation Application
- Resolution Approving the 2024-2026 Public Education and Recycling Technical Assistance Plan
- Approval of Shoreway Site Master Planning process—workplan/timeline
October 2023
TBD: Rethink Recycling Day

2: Legislative Committee

17: Finance Committee Meeting
- Review of DRAFT FY2023 budget, Capital Improvement Plan and Reserves

26: Board Study Session
- Review of DRAFT FY2024 Budget
- Discussion on Operating Expenses
- Capital Improvement Plan Review/Discussion for 2024

November 2023
7: Legislative Committee

16: Board Meeting
- Approval of FY2024 Budget
- 2023 Legislative Session Recap
- Public Education & Environmental Education Recap
- Approve 3-Year Contract for Website Hosting and Maintenance
- Approval of Proposed Facility Master Plan—Technical Contracts
- Approve 3-Year Contract with Citizen Communication DBA Recyclist

December 2023
4: Legislative Committee

No Board Meeting - DARK
CLOSED SESSION

Closed Session Information to arrive via confidential memo to the Board Members only


Agenda Item 11