



CONSENT CALENDAR



DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
February 25, 2015 – 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:11PM

1. Roll Call

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

2. Public Comment

Persons wishing to address the Board on matters NOT on the posted agenda may do so.

Each speaker is limited to two 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.

None

3. Interim Executive Director's Report

Interim Executive Director Gans gave a brief overview of the staff report. He noted that as the Interim Executive Director he will speak on hot topics and provide updates. He noted that a standing item in the Interim Executive Director's report would be the plan and recommended process updates as the negotiations with Recology proceed, and that there would be a TAC meeting on March 10th. At this meeting TAC members will discuss commitments from Member Agencies on moving forward with the plan and recommended process, as well as the formation of an Ad Hoc subcommittee that would offer a recommendation to the Board. He also gave updates on the Every Other Week Pilot, AB1826, upcoming staff reports, and the changes in commodity pricing. He noted that Member Widmer had asked that he do some surveying of other recyclers to see what prices they were getting paid, and that he surveyed three other recyclers and the pricing is very similar. He noted that SBR's Dan Domonoske had written a letter that provided industry trade publication's projections and past commodity pricing information, and made forecasts to be used in the budget process. He added that he had invited Nick Lapis from Californian's Against Waste to talk later in the meeting

about legislation affecting the waste industry. Lastly he added that there was some confusion with emails around the Zero Landfill Committee and Bob's office will come in and do some training with staff about Brown Act requirements.

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. Adopt the January 28, 2016 BOD Meeting Minutes
- B. Resolution Approving Agreement with R3 Consulting Group, Inc. for Financial Systems Audit of Collection Services and Facility Operations Contractors for Calendar Year 2015
- C. Resolution Approving Agreement with R3 Consulting Group, Inc. to Conduct a Review of Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems for Calendar Year 2015
- D. Approval of the Quarterly Investment Report as of 12/31/15

Member Widmer removed item 4A from consent for discussion

Member Brownrigg made a motion to approve consent calendar items 4B though 4D.

Member Stone seconded the motion.

Voice Vote: All in favor

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

Member Widmer pointed out that on page 9 of the minutes, the job description for the Executive Director was being discussed, and the end result was that the job description was going to come back to the Board for review as requested by Member Abrica. He noted that the recruitment for the position had already begun, but that no job description had been presented to the Board. He suggested that the job description be put on the agenda for the next meeting, and any discussion there be considered by the committee when conducting interviews, as a way to keep the process moving forward.

Chair Grassilli thought it was a good idea to bring the job description back and make sure everyone gets a copy, but not stop the process.

Member Slocum noted that he brought copies of the recruitment brochure for the position, and passed a copy to all the Board Members.

Member Stone made a motion to approve 4A.

Member Dehn seconded the motion.

Member Brownrigg asked for clarification if the minutes were being amended.

Chair Grassilli clarified that the minutes were not being amended, that Member Widmer just wanted the information brought back for discussion.

Voice Vote: All in favor.

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

5. Administration and Finance:

A. Approval of the 2015/16 Mid-Year Budget - Continued Item (Approval item)

Staff Fakira gave an overview of the staff report. He noted that the program figures in the revenue and expense reports in the budget are based on six months of actuals up through the month of December, which should satisfy the need for trending projections. He added that as a result of increased green waste volume during the second quarter, the tipping revenues have improved slightly to \$568,000, but that was more than offset by a large drop in commodity values which caused a drop of \$720,000. He noted the big items which negatively affected the budget: the commodity price drop, the split body pilot, the glass handling costs, and disposal. He also addressed Member Benton's question from the January meeting about the appearance that less money is made by processing more tons, and noted that regarding the mid-year budget there is almost \$200,000 in unbudgeted disposal expenses, as explained in table 4 of the staff report. Regarding the FY1516 budget, he noted that he did an intensive analysis of this year's actuals versus last year's actuals and noted there was no tipping fee increase in 2015. There was a \$3/ton CPI impact on disposal and SBR compensation, and there was no tipping fee increase to cover that cost. However, the undesignated reserve is about \$3M at the end of 2015. Lastly he added that a meeting will be scheduled with the Ad Hoc finance committee to go over the 2015 compilation report and improving the SBWMA financial situation.

Chair Grassilli asked if Staff Fakira anticipated these numbers trending the same for the second half of the year.

Staff Fakira answered that beginning January 1, 2016, a tipping fee increase was implemented which will bring in about \$3/ton and hopefully compensate for the current short fall.

Chair Grassilli asked if the tipping fee increase had been implemented for the whole year what would the gain have been.

Staff Fakira answered probably about \$1M, so it will be approximately \$0.5M now through June.

Member Widmer made a motion to approve Resolution 2016-08.

Member Brownrigg seconded the motion.

Roll Call Vote: 7-0-0-5

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

6. Collection and Recycling Program Support and Compliance:

No items

7. Shoreway Operations and Contract Management:

A. Approval of Contract for the Repair of the MRF and Transfer Station Tipping Floor (Approval item)

Interim Executive Director Gans gave an overview of the staff report. He noted that the floors of the MRF and transfer station need to be repaired routinely, due to surface wear and heavy use. He added that it usually in the range of \$100,000 to \$200,000, but there was no floor repair last year so there is deferred maintenance and that is why the cost is higher than usual. He added that the quote received was very good, and the competitive quote was over \$100,000 more.

Chair Widmer asked if American Restore has done work for the SBWMA before.

Interim Executive Director Gans answered yes, and staff has been happy with the work.

Member Stone made a motion to approve resolution 2016-13.

Member Aguirre seconded the motion.

Voice Vote: All in favor

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

8. Informational Items Only (no action required)

A. California State Legislative Update for 2015/16 (Nick Lapis, CAW)

Interim Executive Director Gans introduced Nick Lapis from Californian's Against Waste (CAW), to give an overview of legislation passed that would affect the SBWMA.

Nick Lapis noted that in the last two years, four bills had been passed on organics, and that for the first time California is focused heavily on getting organics out of the waste stream.

- AB1826, which requires organic generators to have organics collection and is phased in over time with the biggest producers required to have organics collection by April 2016.
- AB1594, which got rid of green waste credit.
- AB1045, which requires composting facilities to get on the same page with each other.
- AB876, which tells local governments to plan for organics infrastructure.

He added that in the plastics and ocean debris realm, Californian's Against Waste was the sponsor of the Plastic Bag ban, which will be on the November ballot, and will be a big state wide fight. CAW is outmanned and out gunned in terms of resources, with 98% of the money coming from out of state plastic bag manufacturers. He added that it will be a grass roots campaign to defend the plastic bag ban, and to set the precedent that California's environmental laws can't be overturned. Similarly last year CAW sponsored a bill

to outlaw plastic microbeads in cosmetic products and toothpaste, which are another major source of plastic pollution.

He also added that last year a sales tax exemption for recycling and composting equipment was passed to help MRF operator purchase equipment.

He noted that he's been working with San Mateo County on AB901 which required tracking of solid waste, recyclables, and organics within the state. This will make it difficult for less than honest operators to take their materials outside of local franchise fees etcetera. This will have a big impact in San Mateo County.

He noted that for the first time the state is putting a pot of money in grants to local governments to build the infrastructure to manage organics. The state is not just mandating it and putting the burden on local governments, they are giving money to the processors who will need to take the material.

He mentioned several bills in the current legislative session which are still in play.

- AB45 which was a bill that was introduced by Assembly Member Mullin on household hazardous waste to get more door to door collection, but was used in a way to move away from extended producer responsibility. The bill was held in the assembly appropriations committee last year, and it was released this year with some amendments. The bill in its current form allows Cal Recycle to adopt model ordinances for HHW collection, but there is no reason why Cal Recycle couldn't do that now, and it allows for a vague undefined industry to create a non-profit to educate people about what to do with their HHW. He noted that there is a concern that the bill may put a burden on local governments to collect sharps and pharmaceuticals, and at this point negotiations are ongoing and CAW is strongly opposed.
- AB 1063 which is a proposal to increase the state tip fee surcharge to help build composting facilities around the state. The tip fee surcharge has been at \$1.40 for the last 20 years, and as disposal has gone down, so has this fund. He noted that there is a need to build more composting facilities in the state, and there is reluctance on the part of many to have to go through the rate raising process and the prop 218 process.
- AB1239 which is a tire recycling bill.
- SB778 which is a bill to help reduce motor oil waste by requiring businesses that provide oil changes to put stickers in the vehicles with the actual recommended mileage to return not just 3,000 miles.
- AB2725 that will reform expiration date labels on food.

He also added that CAW is working on a bill to require PET bottles to label how much recycled content they have as a way to encourage use of recycled PET and help combat the bad commodity prices of plastic.

He then noted that there has been a major closure of convenience recycling centers around California. 200 facilities have closed in the past two weeks, and now there over 700 unserved zones, which is a problem because people don't have a convenient place to take their bottles and cans. It is also problematic for the grocery industry, which doesn't want people bringing the bottles back to them.

Chair Grassilli asked Mr. Lapis to talk about AB1826.

Nick Lapis noted that AB1826 is the bill that requires commercial organics to be diverted. It is phased in over time, with the first date being this April. He added that CAW is seeing local governments fall into one of three categories: governments that are following the intent and spirit of the law and everything is on track;

governments that are following the basic requirements of the law but moving slowly; and there are some cities that haven't done anything.

Interim Executive Director Gans noted that Mr. Lapis stated that organics was getting a lot of attention in the legislature, and he asked him to talk about why.

Nick Lapis answered that the biggest driver is the climate conversation at the Air Board. The Air Board has been regulating greenhouse gasses since 2007, and early on identified landfills as a major source of greenhouse gasses. While at first the focus was on the landfills themselves, the Air Board has now said they want to eliminate organic waste over the next 10 years, because they see that as the only way to avoid landfill methane emissions. He added that it is an ambitious but achievable goal in the Bay Area, but in Southern California there are not a lot of compost facilities, so the goal is almost beyond imagination. He added that CAW has generally been supporting the Air Board, but that it's not just about mandating but giving other tools as well including funding from the greenhouse gas reduction fund; coordination between the different agencies on permitting, the state taking a more active role in helping these facilities get built, and local governments taking a more active role in educating residents and business.

Member Widmer noted that the SBWMA has been looking at glass recycling and noted that there is a very limited supply of business that will take glass, and he asked what could be done to expand the marketplace or give opportunities for those that do process glass to be in more areas.

Nick Lapis answered that it's the million dollar question, and the same question for glass exists for PET. He noted that CAW has a proposal of a glass recycling incentive payment to help subsidize more glass going to California glass plants, but the exact answer is unknown. It's become harder and harder for these plants to get clean material, so there are a lot of factors.

Interim Executive Director Gans added that the Air Board that is pushing for organics diversion is clamping down on all air emissions and glass plants have a thermal process that generate emissions.

Member Widmer commented that his point was as what is being recycled, and opportunities to recycle are being pushed to expand, there needs to be a look at how recycling is done because agencies are pushing in opposite directions. He thought that one of the best ways to reduce landfill is to use incineration, but the Air Board doesn't want to use incineration, but there are things to do to make a happy medium, and he asked CAW to work to find common solutions and work holistically on the problem.

Nick Lapis agreed on the first part, but not on incineration of Member Widmer's comments.

- B. 2015 Finance and Rate Setting Calendar
- C. Check Register for January 2016
- D. Potential Future Board Agenda Items

Member Widmer asked the HHW item be put back on the agenda for next month, and he would like to discuss leveraging the County facility, and ensure continuation of the HHW program at a reasonable cost.

Chair Grassilli noted that it's costing each member agency over \$50,000 per month and thought it was a good idea to look at how much it is being used in each Member Agency.

Staff Gans noted that the contract was slated for the May agenda.

Chair Grassilli asked to talk about it on next month's agenda in anticipation of the contract conversation in May.

9. Board Member Comments

Chair Grassilli thanked the Board Members, and will try to get all 12 Board members at the next meeting.

10. Adjourn 3:04PM



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: April 28, 2016 Board of Directors Meeting
Subject: Resolution Approving Calendar Year 2015 Financial Statements

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-14 attached hereto authorizing the following action:

- Approving the South Bayside Waste Management Authority's Financial Report for Calendar Year 2015 as reviewed by SBWMA's audit firm, Lance Soll & Lunghard.

Analysis

As part of the 2009 Bond Indenture, the SBWMA is required to present unaudited calendar year Financial Reports to the bond rating agencies by May 1st. These reports were reviewed on March 24th, 2016 by the Board Finance Committee which recommends approval. The reports are limited to information that is required in the bond indenture and include the results of the bond covenant tests.

The attached SBWMA Financial Reports (see Attachment A) for the calendar year ending December 31, 2015, have been prepared by the City of San Carlos Administrative Services Department with assistance from SBWMA staff and examined by the independent auditing firm of Lance, Soll, & Lunghard (LS&L). The audit firm reported that the SBWMA's financial reports were prepared in conformity with generally accepted accounting principles (GAP), however, the reports are in an unaudited status.

Overview of the Financial Reports

Table 4 of the attached Financial Report, shows the operating income for calendar year 2015 of \$1,171,204 (Modified Change in Net Position), while **Table 5** shows that the bond covenant requirements have been achieved, the SBWMA is obligated by the bond indenture to set tip fees at Shoreway that produce financial results which generate enough revenue to achieve the covenant tests. (Table 5, shows a break-even coverage of 1.02 and a bond debt coverage of 1.58 meet the requirements minimum of 1.0 and 1.40 respectively of the Bond of the Bond Indenture. These tests intended to show sufficient liquidity by the agency and are typical for these types of revenue bonds.

Bond Covenant Test	<i>Minimum</i>	Calendar Year	
	<i>Ratio</i>	2014	2015
<i>Break-even Ratio</i>	<i>1.00</i>	<i>1.06</i>	<i>1.02</i>
<i>Debt Coverage Ratio</i>	<i>1.40</i>	<i>1.91</i>	<i>1.58</i>

Background

On July 23, 2009 the Board approved a resolution authorizing the issuance of solid waste enterprise revenue bonds Series 2009A (tax-exempt) and Series 2009B (taxable) to the City of Burlingame. In 2013, the Board approved the payoff of the 2009B bond one year early with surplus funds to save interest expense. The bond indenture requires annual financial reporting on a fiscal (audited) and calendar year (unaudited) basis.

Most of our business is conducted on a calendar year basis. Our contract rates with SBR, Recology, and disposal and processing vendors all are adjusted effective January 1st. The tip fees at Shoreway are also adjusted if needed on January 1st. Therefore, for bond reporting, it made sense to report our financial results on a calendar year basis, however, our fiscal year ends on June 30th.

LS&L also audits our fiscal year financial statements. The audited financial statements for FY14/15 were approved by the Board at the January 28, 2015 Board meeting.

Fiscal Impact

There is no fiscal impact associated with this item.

Attachments:

Resolution 2016-14

Attachment A – 2015 Unaudited Financial Statements



RESOLUTION NO. 2016-14
**RESOLUTION OF THE SOUTH BAYSIDE WASTE
 MANAGEMENT AUTHORITY BOARD OF DIRECTORS
 APPROVING THE CALENDAR YEAR 2015 FINANCIAL STATEMENTS**

WHEREAS, the South Bayside Waste Management Authority contracted with the audit firm of Lance Soll & Lunghard to conduct a review of the Agency's financial records in accordance with Governmental Accounting Standards; and

WHEREAS, the financial statements for the calendar year ending December 31, 2015 as prepared by said firm have been completed; and

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the unaudited Annual Financial Report as prepared by Lance Soll & Lunghard for the calendar year ending December 31, 2015.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 28th of April, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-14 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

 Bob Grassilli, Chairperson of SBWMA

 Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: April 28, 2016 Board of Director's Meeting
Subject: Resolution Approving the Revenue Transfer from Reserves for Calendar Year 2015

Recommendation

Staff recommends the Board approve resolution 2016-15 approving the revenue transfer from the rate stabilization reserves for Calendar Year 2015 of \$920,000 so that the bond debt service ratio covenant can be achieved. The revenue transfer of \$920,000 is needed to achieve the minimum debt coverage ratio test financial result for bond reporting. SBWMA has experienced a severe drop in commodities prices resulting in a negative income variance of \$920,000 for calendar 2015 vs. 2014.

Analysis

As part of the 2009 Bond Indenture, the SBWMA is required to present calendar year financial reports to the bond rating agencies and include the results of the bond covenant requirement tests. Specifically, there are two tests: 1) a break-even test (minimum of 1.0 revenues to expenses), and 2) a minimum debt coverage ratio (minimum of 1.40 debt to equity ratio). A revenue transfer, as proposed in this staff report, from the Rate Stabilization Reserve to the income sheet is a mechanism for ensuring that the Agency's minimum debt coverage ratio is met. Table 5 of the attachment to the accompanying staff report *7B-Resolution Approving Calendar Year 2015 Financial Statements* shows that the two bond covenant tests has been met after a \$920,000 revenue transfer from the Rate Stabilization Reserve was made (both the break-even test and the bond coverage test have exceeded the minimum requirements of the Bond Indenture).

The Financial Committee met on 3/24/2016 and reviewed the transfer of funds from the Rate Stabilization Reserve and concurred that the transfer is warranted to bring the minimum debt service ratio in line with covenant requirement ratio of 1.40 or above.

Background

On July 23, 2009 the Board approved a resolution authorizing the issuance of solid waste enterprise revenue bonds Series 2009A (tax-exempt) and Series 2009B (taxable). The bond indenture requires annual financial reporting on a fiscal (audited) and calendar year (unaudited) basis. The annual report includes reporting on the results of the two bond covenant tests.

Fiscal Impact

SBWMA policy requires the Rate Stabilization Reserve to be maintained at a balance equal to 10% of annual expenses. The transfer will lower the Rate Stabilization Reserve from a prior balance of \$4,033,671 to a projected \$3,388,189 at the end of the fiscal year. The Revenue for the FY16/17 budget will need to be bolstered to meet the future bond covenant tests.

Attachments:

Resolution 2016-15



RESOLUTION NO. 2016-15

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING CALENDAR YEAR 2015 TRANSFER FROM CASH RESERVES

WHEREAS, the SBWMA Board of Directors (the Board) approved an Unrestricted Cash Reserve Policy on February 22, 2016 and revised the Policy so that it would be compatible with projected cash flows published in the bond financing pro forma, and to provide for long term prudent reserves to meet SBWMA future needs; and

WHEREAS, the revenue transfer of \$920,000 is needed to achieve a debt coverage ratio financial result for bond reporting.

WHEREAS, the finance committee met on March 24th, 2016 and reviewed the transfer from the rates stabilization fund of \$920,000 in order to achieve a debt coverage ratio financial result for bond reporting.

NOW, THEREFORE, BE IT RESOLVED by the SBWMA Board of Directors hereby approves the revenue transfer from the rate stabilization reserve for Calendar Year 2015 of \$920,000 so that the bond covenants can be achieved.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28th day of April 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-15 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Date: April 28, 2016 Board of Directors Meeting
Subject: Resolution Approving Agreement with Ascent Environmental, Inc. to Complete the 2015 CalRecycle Electronic Annual Reports in Compliance with AB939

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-16 attached hereto authorizing the following action:

Authorize the Interim Executive Director to execute a contract with Ascent Environmental, Inc. to complete the 2015 CalRecycle Electronic Annual Reports in compliance with AB939 for a not-to-exceed budget of \$25,000.

Summary

Each city and county in California is required to prepare and submit an Electronic Annual Report (EAR) to CalRecycle in compliance with AB 939. The staff at Ascent Environmental, Inc. (Ascent) have assisted the SBWMA Member Agencies with this reporting for the past 16 years and have submitted a proposal to complete this work for 2015.

Analysis

The JPA has taken the lead in preparation and submittal of the annual reports mandated per AB939, the California Integrated Waste Management Act of 1989. Compiling and preparing the documentation typically begins in April and concludes with submittal of the reports to CalRecycle in August. Several years ago compliance with AB939 shifted from primarily a quantitative focus from diversion from landfill disposal to achieving a per capita disposal target (generally equivalent to 50% diversion from landfill) and qualitative compliance with implementing programs and policies. Specifically, the primary focus of compliance is now on the qualitative efforts of how and to what extent the jurisdiction is implementing programs and policies to achieve high levels of diversion. This shift has resulted in the requirement to annually produce a more detailed and lengthy written update on programs and policies. In addition, with the passage of AB341 (mandatory commercial recycling) and AB1826 (mandatory organics recycling), the burden on reporting additional information in the EAR continues to increase.

Background

The State of California Integrated Solid Waste Management Act of 1989 (AB 939) mandates 50% diversion of solid waste from landfill be realized by each city and county and implementation of the programs required to achieve maintaining and surpassing this goal. The law also requires completion and submittal of an annual program and project status report to the State (CalRecycle). The JPA has taken the lead in preparing these reports for its Member Agencies since the passage of this law and has sought the assistance of staff at Ascent.

Fiscal Impact

The SBWMA FY15/16 budget includes \$25,000 for CIWMB (CalRecycle) Annual Reports. The contract with Ascent for a not-to-exceed amount of \$25,000 will be paid with these funds.

Attachments:

Resolution 2016-16

Exhibit A – [Proposal from Ascent Environmental \(available online only at www.rethinkwaste.org\)](http://www.rethinkwaste.org)

(A sample professional services agreement is also available at www.rethinkwaste.org.)



RESOLUTION NO. 2016-16

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE AN AGREEMENT WITH ASCENT ENVIRONMENTAL, INC. TO COMPLETE THE 2015 CALRECYCLE ELECTRONIC ANNUAL REPORTS

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Ascent Environmental, Inc. for the purpose of completing the mandated 2015 CalRecycle Electronic Annual Reports for ten SBWMA Member Agencies; and

WHEREAS, Ascent Environmental, Inc. has experience completing the mandated CalRecycle annual reports for the SBWMA Member Agencies for the past sixteen years, and the appropriate qualifications and experience in the industry to conduct the 2015 CalRecycle reporting work; and

WHEREAS, attached as **Exhibit A** hereto is the Ascent Environmental, Inc. proposal with the scope of work.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes Interim Executive Director to execute an Agreement with Ascent Environmental, Inc. for a not-to-exceed budget of \$25,000.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 28th day of April, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-16 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Interim Executive Director & Facility Operations Contract Manager
Date: April 28, 2016 Board of Directors Meeting
Subject: Resolution Approving Contract with Grainger for Purchase LED Lighting for Shoreway

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-17 attached hereto authorizing the following action:

Authorize the Interim Executive Director to enter into a contract for the purchase of LED lighting for Shoreway for an amount not to exceed \$124,319.

Summary

The contract to purchase LED lights from Grainger will provide fixtures to retrofit all of the older high-intensity lights with energy conserving LEDs. A pilot that tested the CREE lights at Shoreway was completed in 2015 and demonstrated that they meet performance standards and use 66% less electricity which results in a payback of approximately 2 years.

Analysis

Staff conducted a LED lighting retrofit pilot project in 2015 where 80 original metal-halide light fixtures were replaced with high-intensity LED at the MRF building. The goal was to ensure that the new LED lights would provide suitable light quality and energy savings.

The cost to retrofit all of these was budgeted in the FY15/16 capital budget at \$274,000. The cost for the three types of LED lighting fixtures proposed by Grainger to retrofit the old high-intensity lighting at the Shoreway facility is \$124,319 with tax. PG&E offers a rebate for LED lighting retrofits and it is estimated that the SBWMA will receive \$33,000 in rebates.

A payback analysis is provided below in Table 1. For the three fixtures that are planned for installation at Shoreway, there is a 1-2 year payback based on rebate and energy savings. The lights have an anticipated life span of 18 years and come with a 10 year warranty from the manufacturer.

Table 1: LED Retrofit payback shown for each fixture type

CREE Lighting Upgrade Analysis: CXB		CREE Lighting Upgrade Analysis: CXB		CREE Lighting Upgrade Analysis: CXB	
Prepared for: South Bay Recycling		Prepared for: South Bay Recycling		Prepared for: South Bay Recycling	
					
Indoor Fixtures Only		Indoor Fixtures Only		Indoor Fixtures Only	
Project Cost:	\$25,727.94	Project Cost:	\$78,160.32	Project Cost:	\$23,125.29
Approximate rebate @ 25% (year 1)	\$6,431.99	Approximate rebate @ 25% (year 1)	\$19,540.08	Approximate rebate @ 25% (year 1)	\$5,781.29
Annual Energy Savings	\$12,135.31	Annual Energy Savings	\$18,233.82	Annual Energy Savings	\$5,029.86
Annual Demand Savings	\$1,544.19	Annual Demand Savings	\$2,598.39	Annual Demand Savings	\$1,419.00
Annual Tax Avoidance	\$1,311.00	Annual Tax Avoidance	\$3,127.99	Annual Tax Avoidance	\$1,119.93
Annual Maintenance savings	\$1,679.83	Annual Maintenance savings	\$1,759.82	Annual Maintenance savings	\$879.91
Total Annual Savings (year 1)	\$23,102.32	Total Annual Savings	\$45,260.10	Total Annual Savings (1st year)	\$14,229.99
Return on Investment	89.79%	Return on Investment	57.91%	Return on Investment	48.71%
Payback (Years)	1.11	Payback (Years)	1.73	Payback (Years)	2.05

Background

When the master plan construction was completed in 2010, LED lighting technology was not mature and the high-intensity light fixtures used at Shoreway were not available. Since 2010, there has been rapid advancement in LED chip technology and the costs for LEDs have come down to the point where there is a compelling payback scenario for replacing the existing lighting fixtures at Shoreway with energy saving LEDs.

It is a general goal of the agency to make the Shoreway Environmental Center both “green” and cost efficient. A lighting retrofit was included as part of the Long Range Plan and Staff has researched LED lighting companies that could provide suitable high-intensity light fixtures. CREE lights were selected for a pilot and 80 LED lights were purchased from Grainger to replace the older metal-halide lights installed during the building construction in 2010. Based on the success of the CREE lights over the pilot period, these same lights were selected for purchase for retrofitting all the older high-intensity lights at Shoreway (includes fixtures in the MRF, Transfer Station and Recology maintenance shop areas with LED lighting in FY1516).

Fiscal Impact

The cost to retrofit all of the lighting was budgeted in the FY15/16 capital budget at \$274,000. The cost for the proposed purchase of LED lighting fixtures from Grainger to retrofit the high-intensity lighting at Shoreway facility is a total of \$124,319 with tax.

Attachments:

Resolution 2016-17



RESOLUTION NO. 2016-17

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A CONTRACT WITH GRAINGER FOR PURCHASE LED LIGHTING FOR SHOREWAY

WHEREAS, the SBWMA is the landlord of the Shoreway facility and responsible for maintaining the Facilities in good working order and in compliance with regulations.

WHEREAS, a retrofit of the existing lighting at the Shoreway facility with LED energy efficient lights will save money for the agency.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Interim Executive Director to enter into a contract with Grainger for LED light purchase for an amount not to exceed \$124,319 with tax.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28th day of April, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-17 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Interim Executive Director & Facility Operations Contract Manager
Date: April 28, 2016 Board of Directors Meeting
Subject: Resolution Approving Contract with RC Bensen & Sons for Concrete Work at Shoreway

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-18 attached hereto authorizing the following action:

Authorize the Interim Executive Director to enter into a contract with RC Bensen & Sons for Concrete work at Shoreway for an amount not to exceed \$56,494.

Summary

RC Bensen & Sons is currently under contract for the MRF Canopy project work. This project has been successfully completed and the company is being hired under a contract change order to perform concrete work at the Shoreway MRF to improve traffic flow.

Analysis

RC Benson & Sons is the company that was hired to complete the MRF Canopy construction project. This project has been completed to the satisfaction of the SBWMA and was performed on schedule and on budget. The MRF canopy extension project is being well utilized by SBR and has met the goal of keeping the facility in regulatory compliance by keeping all inbound recyclable materials under-roof (as required by the solid waste facility permit regulated by the CalRecycle). During the canopy construction project, the need for additional concrete areas for truck travel lanes was identified by the SBWMA. RC Bensen & Sons was asked to provide a quote for the work to be completed after the canopy project was finished.

Based on the good performance of RC Bensen & Sons on the canopy project and the competitive price provided for the concrete work, staff is recommending that RC Bensen & Sons be awarded a contract change order to perform concrete work as quoted. The SBWMA hired the construction management firm Covello Company to oversee the construction of the Concrete project. Covello has provided designs and specification for the concrete work that will pave current landscaped area between the truck entrances of the MRF and transfer station buildings. The landscaped area currently serves as an impediment to route truck travel as these vehicles are maneuvering to back into the MRF tipping area.

Additional concrete paving and curb work, that has been included in the scope and pricing by Bensen, is located in the Public Recycling Center at the front of the MRF building. This is a busy area of the site that has some small landscaped areas that crowd operations by not allowing material storage bins to be efficiently arranged. The concrete work in this area will replace unwanted small landscaped patches with concrete paving and curbing.

Background

RC Bensen & Sons is under contract for the MRF canopy project work. This project has been successfully completed and signed off by the SBWMA and San Carlos City Building staff. Bensen is being considered for contract change order work for concrete work at the Shoreway MRF to improve traffic flow.

Fiscal Impact

The FY15/16 budget includes a capital expenditure line item for Site Maintenance that has a current unspent balance of \$65,000k. This contract change order in the amount of \$51,494 plus a project contingency of 10% for a total of \$56,643 will be applied to this capital budget line.

Attachments:

Resolution 2016-18



RESOLUTION NO. 2016-18

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING CONTRACT WITH RC BENSEN & SONS FOR CONCRETE WORK AT SHOREWAY

WHEREAS, the SBWMA is responsible for maintaining the Facilities in good working order and in compliance with regulations.

WHEREAS, the traffic is impeded in the area between the MRF and transfer station tipping floor and there is a need to add a traffic lane.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Interim Executive Director to enter into a contact with RC Bensen in an amount not to exceed \$56,643.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this 28th day of April, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-18 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Date: April 28, 2016 Board of Directors Meeting
Subject: Resolution Approving Agreement with Sloan/Vazquez LLC to Conduct an Operations and Cost Assessment of Recology's Collection Services

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-19 attached hereto authorizing the following action:

Authorize the Interim Executive Director to execute a contract with Sloan/Vazquez LLC to conduct an Operations and Cost Assessment of Recology's Collection Services with a not-to-exceed budget of \$40,000.

Summary

The purpose of this Operations and Cost Assessment is to provide information and data to assist the SBWMA, the Ad Hoc Committee to Review Franchise Agreement Amendments, and the Member Agencies with analyzing the contract extension proposal from Recology San Mateo County (Recology). The project entails development of a detailed cost proforma of Recology's operations that will be a critical tool for the contract negotiations.

Analysis

The SBWMA is seeking to contract with Sloan/Vazquez, LLC to conduct an Operations and Cost Assessment of Recology's Collection Services. The company will prepare a cost proforma based on information obtained from Recology, observations and analysis, industry standards and their experience conducting similar studies. The proforma will be modeled on the cost forms currently used per the Member Agencies Franchise Agreements with Recology. It is anticipated that cost proposals from Recology will be based on these costs forms. The project is broken into two phases, with Phase I consisting of the data review, operational analysis and cost proforma development; and Phase II entailing presentations to the SBWMA/Ad Hoc Committee and making modifications to the proforma based on contract negotiations.

Phase I shall be concluded during FY15/16 and take place in May and June. Phase II is anticipated to occur in FY16/17 after July during contract negotiations. The recommendation is to proceed with the contract for Phase I.

Background

Each of the Member Agencies has a Franchise Agreement with Recology which started on January 1, 2011 and ends at midnight on December 31, 2020. The Franchise Agreements prescribe calendar year 2017 as the deadline to pursue an extension to the contract. On January 28, 2016, the SBWMA Board of Directors approved Resolution Number 2016-09 approving the Final Plan and Recommended Process for Supporting Member Agencies with Negotiating a Potential Franchise Agreement Extension with Recology San Mateo County (Plan). The Plan is a "process and approach" plan and not a recommendation of whether or not to extend the current Member Agency Franchise Agreements with Recology San Mateo County (Recology), and the timeline included in the Plan prescribes that this Operations and Cost Assessment project will be completed in the Spring of 2016.

Fiscal Impact

The SBWMA FY15/16 budget includes \$40,000 for Operational Assessment and Route Assessment projects. The contract with Sloan/Vazquez, LLC for a not-to-exceed amount of \$40,000 will be paid with these funds.

Attachments:

Resolution 2016-19

Exhibit A – [Proposal from Sloan/Vazquez, LLC \(available online only at www.rethinkwaste.org\)](http://www.rethinkwaste.org)

(A sample professional services agreement is also available at www.rethinkwaste.org.)



RESOLUTION NO. 2016-19

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE INTERIM EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH SLOAN/VAZQUEZ, LLC TO CONDUCT AND OPERATIONS AND COST ASSESSMENT OF RECOLOGY'S COLLECTION SERVICES

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into a contract with Sloan/Vazquez, LLC for the purpose of conducting an Operations and Cost Assessment of Recology San Mateo County's Collection Services provided to the SBWMA Member Agencies;

WHEREAS, Sloan/Vazquez, LLC has the appropriate qualifications and experience in the industry and with the unique scope of work required to conduct the Operations and Cost Assessment of Collection Services work; and

WHEREAS, attached as **Exhibit A** hereto is the Sloan/Vazquez proposal with the scope of work.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes Interim Executive Director to execute an Agreement with Sloan/Vazquez for Phase I with a not-to-exceed budget of \$40,000.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 28th day of April, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-19 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on April 28, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary