



A Public Agency

CONSENT CALENDAR



DRAFT MINUTES

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
 MEETING OF THE BOARD OF DIRECTORS
 September 11, 2014 – 2:00 p.m.
 RethinkWaste Board Room at the Shoreway Environmental Center

Call to Order: 2:01 PM

1. Roll Call

Agency	Present	Absent	Agency	Present	Absent
Atherton		X	Menlo Park		X
Belmont	X		Redwood City	X(public session only)	
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	

Alternate Member Al Royse attended for Hillsborough

2. Adjourn to Closed Session – pursuant to Government Code Section (e) 54954.5: PUBLIC EMPLOYEE PERFORMANCE EVALUATION: Executive Director

Public session was called to order at 2:23 PM

No report from closed session

3. 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. 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 July 24, 2014 BOD Meeting Minutes
- B. Approval of Guiding Principles for Development of the Long Range Plan

Member Aguirre made a motion to approve the consent calendar.

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			

4. Old Business:

- A. Discussion Only on Ordinance Implementing a Recycling Reporting System for Commercial Recycling Haulers

Staff Feldman gave an overview of the staff report and noted that he had spoken with one of the major haulers in Burlingame. He stated that they were generally supportive of the ordinance and that they gave him good feedback on changes to the reporting form to better meet the needs of the haulers. He added that he ensured the business owner that if an ordinance passed, there would be extensive stakeholder engagement to get additional feedback from the haulers.

Member Brownrigg commented that he spent quite a bit of time with the same hauler: Redwood Debris Box who is the largest hauler in San Mateo County. He noted that they take about 16,000 tons to Zanker every year for recycling and less tonnage but about the same weight to Ox Mountain every year. He added that Redwood Debris box can't sort, but Zanker can, so Redwood Debris box could report based on the information Zanker gives them if sorted information was required, and noted that Redwood Debris Box thought the form was unclear on the sorting piece. He also added that he spoke to Redwood Debris Box about the possibility of franchising commercial tons in the future, and that debris boxes in Daly City where there are franchised services cost about 80% more than Redwood Debris box. He added that franchised services have a lot of benefit, but can also lead to significantly higher cost. Lastly, he noted that Redwood Debris box was concerned about the ordinance not requiring a hauler to take items to an approved recycling location, but that a hauler could report that it was recycled when in reality it was all taken to Ox Mountain.

Staff Feldman clarified that sorting is not required, and that Redwood Debris Box's input on the form will be incorporated. Secondly, Staff Feldman noted that by and large each Member Agency's C&D ordinance requires haulers to give receipts from the recycling facility before a recycling deposit will be refunded, so C&D ordinances would solve the problem about haulers actually recycling what they said was being recycled.

Member Brownrigg noted the Redwood Debris Box wasn't referring to C&D, but alleged that the smaller haulers who pick up trash or recycling aren't really recycling.

Member Olbert noted that philosophically he would like to see each Member Agency adopt a SBWMA model ordinance to make the enforcement side cleaner, and suggested some sort of incentive/disincentive system for the agencies to adopt the model ordinance.

Executive Director McCarthy responded that in most cases the JPA follows that approach. He noted that this ordinance is a reporting system to get data, so that staff can evaluate next steps in the long range plan. He noted that the expectations are that there won't be a lot of enforcement, and that it would be simpler for JPA staff to collect the data.

Member Olbert reiterated that he would still like to see this be a model ordinance approach.

Member Brownrigg noted that in general elected officials fight to keep authority at the City level, but can see conceding this item to the SBWMA because there are efficiencies in running it at the multi-Agency level and because no penalties are involved with this ordinance.

Vice Chair Dehn clarified that when this came back to the Board it would be an ordinance without penalties, and with a nominal fee.

Staff Feldman noted that the not to exceed cost is \$150, but thought the cost would end up being about \$100 per business to offset the administrative costs.

Member Brownrigg noted that he was comfortable with the fee as long as there was no penalty.

Staff Feldman noted that the ordinance did have fines in it, but that there was no budget for enforcement and staff sees enforcement if any as years down the line, but enforcement for the foreseeable future would be in the form of a letter that tells a business they are not complying.

Executive Director McCarthy added that the businesses that we've talked to are fearful of a franchised model; they want to stay in business in the service area. He added that the JPA's approach for many years has been to offer a good commercial recycling program through the contracted services, but to keep the free market approach, and that this ordinance fits in with the JPA approach.

Member Olbert asked if any of the Board Members had talked to their individual councils or staff, noting an example of his experience on CGAG.

Executive Director McCarthy noted that this went through the TAC three or four times, so all of the City's staff is fully aware of what is proposed.

Vice Chair Dehn noted that the Board needed to give direction to staff so that action can be taken at the next Board Meeting.

Member Royse asked for follow up on the quarterly versus annual reporting frequency.

Staff Feldman answered that in the near term as staff is preparing the long range plan the information is needed more frequently but down the line frequency could be revisited.

Member Royse noted that he would like to redline that in two years the frequency would be revisited. He also noted that at a previous meeting thresholds were discussed and asked for elaboration on thresholds.

Staff Feldman answered that staff would like weigh in from the stakeholders on this point before adding in thresholds, so right now it's open ended, and will be updated after stakeholder engagement.

Member Ross commented San Mateo uses a preferred vendor list for C&D, and other types of transactions, and suggested a preferred vendor list approach as part of this process.

5. New Business:

A. Annual Solid Waste Rate Survey Results

Staff Feldman gave an overview of the staff report, and noted that six or seven of the member agencies are at or below the 50th percentile of rates for the 32 gallon cart size, noting that 65-75% of Recology's customers subscribe to that size. He also added that another 15-20% subscribe to the 20 gallon cart size, so those two cart sizes are the largest source of revenue for the Member Agencies. He commented that due to the progressive rate structure the Member Agencies have historically adopted, the cost to service these carts outweighs the revenue received from the rates associated with those sizes. He added that some Member Agencies have made strides to bridge that gap.

Member Olbert wondered if any Member Agencies other than San Carlos have looked at fees more closely matching costs.

Vice Chair Dehn noted that West Bay is trying to equalize it gradually.

Staff Feldman added that Hillsborough took a flat fee as part of the rate structure and added into their property taxes.

Member Royse noted that Hillsborough added that fee into their tax roll two years ago as a flat fee to cover fixed costs over and above use.

6. Staff Updates:

- a) Update on 2014/15 Franchise Rate Setting Process
- b) Review of Cart Migration and Rates vs. Costs Analysis

Member Brownrigg noted that in the spirit of sharing best practices, Burlingame made the decision to discontinue the 20 gallon cart size, noting that his council was frustrated by relatively small movements requiring rate changes.

Member Aguirre noted that Redwood City wanted to keep the 20 gallon size as an option especially for low income families.

- c) Hiring New Finance Manager in Spring 2015

Vice Chair Dehn asked Executive Director McCarthy to go over the time line for hiring Marshall's replacement.

Executive Director McCarthy noted that he would like to engage two board members on the interview panel, which is still way off, but the goal is to have someone hired next spring. He added that the challenge will be to find someone with industry knowledge and technical experience to meet the JPA's needs.

7. Board Member Comments

Vice Chair Dehn reminded Board Members that the regular meeting will be in two weeks and that the meetings would be moving to the San Carlos library for the foreseeable future.

Member Aguirre asked if the move was permanent.

Executive Director McCarthy answered that there is a short term issue with ADA access in the current building, so it's unknown how long the meetings will move to the San Carlos library.

Vice Chair Dehn asked that a reminder about the location change be sent.

Member Olbert appreciated Executive Director McCarthy and Staff Moran for attending San Carlos' City Council Meeting on Monday night.

8. Adjourn 3:01PM



STAFF REPORT

To: SBWMA Board Members
From: Bill Widmer, Board Chair
Fran Dehn, Board Vice-Chair
Date: September 25, 2014 Board of Director's Meeting
Subject: Consideration of Approval of Executive Director's Goals for FY1415

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2014-23 attached hereto authorizing the following action:

Approval of Executive Director's Goals for FY1415 as detailed in **Exhibit A**

Analysis

The Executive Director's goals were developed through a collaborative, multi-step process that captured feedback from all Board Members and from the Executive Director. Board feedback was provided through a Board adhoc subcommittee and through discussions at two closed sessions. Feedback from the Executive Director was through discussions with the Board Chair.

The goals cover the full scope of the JPA's legal obligations and responsibilities to manage a nearly \$100 million per year recycling, composting and solid waste collection system including ownership of the nationally recognized Shoreway Environmental Center in San Carlos. The goals also address future long range planning efforts, a review of major policies, and enhanced engagement between the Executive Director and Board Members.

Background

The goals were discussed in closed session on August 28, 2014 and September 11, 2014.

Fiscal Impact

There is no fiscal impact associated with this item.

Attachments:

Resolution 2014-23

Exhibit A – Executive Director FY1415 Goals



A Public Agency

RESOLUTION NO. 2014-23

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE EXECUTIVE DIRECTOR'S GOALS FOR FY1415

WHEREAS, the Executive Director's goals were reviewed by all Board Members and discussed during closed sessions on August 28, 2014, and September 11, 2014;

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves the Executive Director's Goals for FY1415 as detailed in **Exhibit A**.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 25th day of September, 2014, 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. 2014-23 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on September 25, 2014.

ATTEST:

Bill Widmer, Chairperson of SBWMA

Cyndi Urman, Board Secretary

EXHIBIT A

FY 1415 Executive Director Goals

- 1. Long Range Plan Visioning Workshop:** Plan and host a one-day “Visioning” workshop which will provide SBWMA Board Members and other key stakeholders in our service area insight into future waste reduction, recycling and composting policies, programs and technologies to meet the state’s 75% diversion goal by 2020.

- 2. Strategic Plan Development:** Prepare and gain board approval of a 10-year strategic plan for effective waste collection, processing and overall waste reduction plus include steps necessary to meet the state’s 75% diversion goal by 2020. The plan will address emerging technologies and major capital improvements anticipated over the time period.

Each project shall have a descriptive explanation (e.g., project purposes, goals, etc.), projected initial costs as well as lifetime costs and an ROI as appropriate. The capital projects will be individually discussed with the Board. The project details will be available prior to April 2015, assuming Board approval of the Plan in March or April 2015 so as to be included in the FY1516 Budget CIP.

- 3. Efficient and effective management:** Provide management of the RethinkWaste Team to ensure efficient operation of the organization, applicable project coordination and execution and budget control. Manage the Shoreway facility, Recology contract and other major contracts.

- 4. Budget Control:** Develop and manage overall budgets effectively. Ensure budget development is initiated such that all Board presentations on budget and CIP items are completed by May 2015 to allow the Board adequate time to evaluate and consider all aspects. The FY1516 Budget shall also include a 2016-2020 capital budget projection. Identify any risks to budget within 30 days of identification and present alternatives and projections to the next scheduled Board meeting or call a special Board meeting as needed.

- 5. Policies/Procedures Review:** Periodically review existing SBWMA policies with the Board for input and/or revisions. All major agency policies (e.g., purchasing, cash reserve, employee policies, etc.) shall be reviewed at least every three years unless other considerations are documented that would require a shorter or longer review timeframe. During FY1415, the Board will review the Purchasing and Employee Compensation policies.

- 6. Evaluate Outsourced Services:** Other than any long-term contracts (e.g., franchise agreements, Operations Agreement, disposal and processing contracts, etc.), review other vendor contracts and recommend to the Board an appropriate strategy for whether and when to conduct a competitive procurement process. During FY1415, staff will evaluate the office lease and accounting and finance contracts and conduct a competitive procurement process as necessary.

- 7. Plan for Future Franchise Agreements: Develop plan and decision support model (process) for how to prepare Member Agencies for the 2017 decision to extend or not the current franchise agreement with Recology.** The plan will address how to review the existing uniform franchise agreement, how to develop the future scope of work for collection services, and how to develop a proforma model to benchmark current and future projected collection costs.

- 8. Work effectively with the Board:** Invite each Board member to meet at least two times per year outside of Board meetings. In staff reports for Board meetings, include options and/or alternatives to issues and decision items. Staff reports should provide more of an executive summary and staff recommendation, followed by analysis with alternate options as applicable with drill down detail (such as on budgets) following or as links.

- 9. Perform independent and confidential employee self-evaluation and share results with Board.** Include in Board report feedback and any suggestions for improvement.



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: September 25, 2014 Board of Directors Meeting
Subject: Approval of Quarterly Investment Report for the Quarter Ended June 30, 2014

Recommendation

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

Analysis

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of June 30, 2014, the investment portfolio was in compliance with the Investment Policy. The portfolio contains enough liquidity to meet the next six months of expected expenditures by the Authority as well as by other third parties.

Fiscal Impact

The attached Investment Portfolio Summary indicates that as of June 30, 2014, funds in the amount of \$21,139,048 were invested producing a weighted average yield of 0.22%.

Below is a summary of the changes in the portfolio.

	Qtr Ended 6/30/14	Qtr Ended 3/31/14	Increase (Decrease)
Total Portfolio	\$ 21,139,048	\$ 19,097,882	\$ 2,041,166
Weighted Average Yield	0.22%	0.25%	-0.03%
Interest Earnings	\$ 10,245	\$ 10,200	\$ 45
Lehman Recovery Payment	\$ -	\$ 12,894	\$ (12,894)

The overall portfolio balance increased by \$2,041,166. The increase is primarily due to additional transfers of excess operating cash into the investment portfolio and the monthly debt service transfers into the bond account from operating funds. The monthly debt service transfer is required by the bond documents for the semi-annual payment of debt service. The interest earned this quarter is at the same level as in the previous quarter mainly because of the higher portfolio balance offset by a slight decrease in the weighted average yield.

A table comparison of the portfolio components is provided below:

	6/30/2014 Balance	% of Total	3/31/2014 Balance	% of Total	Change over prior qtr
SM County Pool	\$ 2,289,604	11%	\$ 2,286,013	12%	\$ 3,591
LAIF	12,591,585	60%	11,584,976	61%	1,006,609
Bond Account	6,257,859	30%	5,226,893	27%	1,030,966
Total Portfolio	\$ 21,139,048	100%	\$ 19,097,882	100%	\$ 2,041,166

Note: There may be minor differences in totals as individual amounts are rounded to the nearest dollar

The average yield of the portfolio in the quarter excluding the bond proceeds was 0.28%. The Local Agency Investment Fund (LAIF) is used as a benchmark and the average LAIF yield for the quarter ending June 30, 2014, was 0.22%. The San Mateo County Pool average yield for the quarter was 0.60%.

Due to arbitrage restrictions, bond investments are not included in our LAIF rate comparison. As of June 30, 2014, the bond reserve and payment accounts of approximately \$6.3 million were invested with the trustee in short-term investments.

The Investment Advisory Committee, consisting of Jeff Maltbie, City Manager of San Carlos; Michael Galvin, City Treasurer for San Carlos; and Rebecca Mendenhall, Administrative Services Director, have reviewed this report before presentation to the Board.

Attachments:

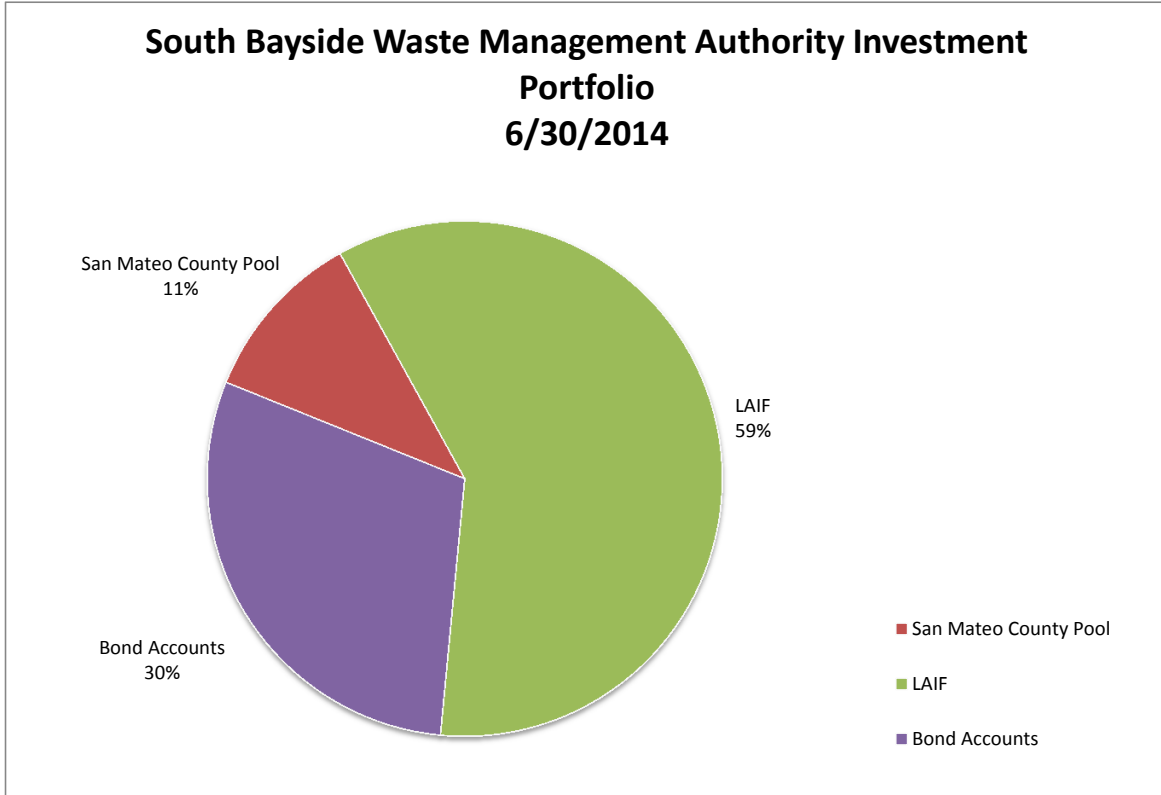
- A– Summary of All Investments for Quarter Ending June 30, 2014
- B– Investment Portfolio 6/30/2014 - Chart
- C – Historical Summary of Investment Portfolio

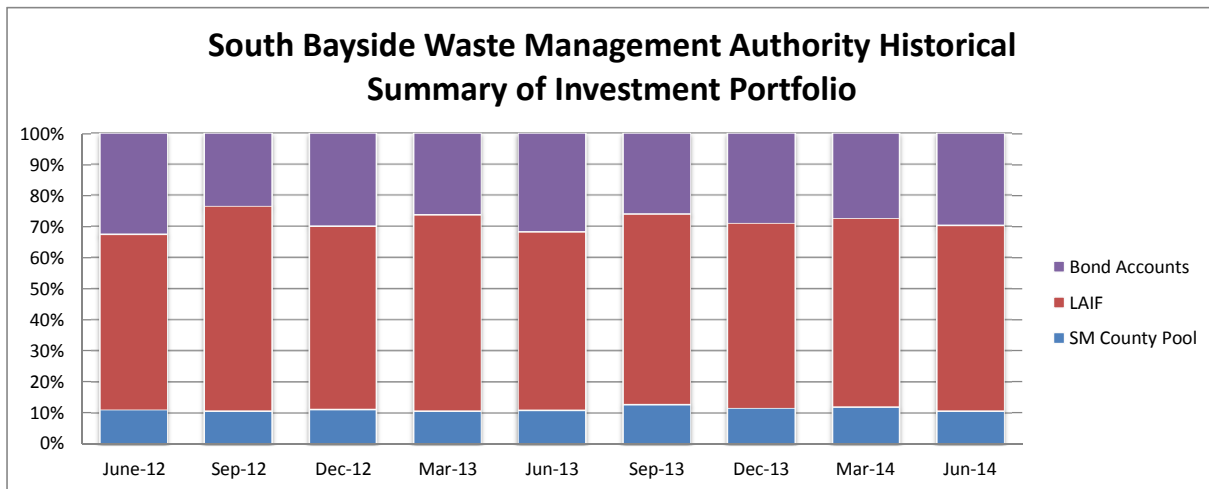
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

SUMMARY OF ALL INVESTMENTS

For Quarter Ending June 30, 2014

Category	Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value	Interest Earned
Liquid Investments:				
San Mateo County Investment Pool (COPOOL)	0.60%	2,289,604	2,289,490	3,433
Local Agency Investment Fund (LAIF)	0.22%	12,591,585	12,595,347	6,562
Total - Investments	0.28%	14,881,189	14,884,836	9,995
Bond Accounts - Cash with Fiscal Agents				
BNY Western Trust - Certificates of Deposit 2009A Reserve Fund Account	0.38%	1,488,000	1,488,000	250
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account	0.00%	2,760,876	2,760,876	-
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account	0.00%	2,008,983	2,008,983	-
Total - Bond Accounts	0.09%	6,257,859	6,257,859	250
GRAND TOTAL OF PORTFOLIO	0.22%	21,139,048	21,142,695	10,245
Total Interest Earned This Quarter			10,245	
Total Interest Earned Fiscal Year-to-Date			47,924	





South Bayside Waste Management Authority Portfolio

	June-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14
SM County Pool	2,116,407	2,121,172	2,139,883	2,144,381	2,167,040	2,265,903	2,269,668	2,286,013	2,289,604
LAIF	10,730,281	12,938,094	11,197,175	12,505,898	11,313,693	10,921,027	11,628,111	11,584,976	12,591,585
Bond Accounts	6,193,483	4,615,267	5,645,978	5,190,986	6,223,842	4,619,074	5,653,984	5,226,893	6,257,859
Grand Total	\$ 19,040,171	\$ 19,674,533	\$ 18,983,036	\$ 19,841,265	\$ 19,704,575	\$ 17,806,004	\$ 19,551,763	\$ 19,097,882	\$ 21,139,048