



ADMINISTRATION AND FINANCE

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: March 23, 2017 Board of Directors Meeting
Subject: 2016-2017 Fiscal Year Agency Assessment Submitted by Joe La Mariana, Executive Director for Board Review and Approval

Recommendation

It is recommended that the Board of Directors adopt the attached Resolution, thereby approving the 2016-2017 Agency Assessment presented to the Board of Directors by the Executive Director, and directing that the Agency Assessment be placed on the South Bayside Waste Management Authority's (SBWMA) website.

Analysis

On August 1, 2016, Joe La Mariana was appointed as the Executive Director for SBWMA. Pursuant to Executive Director La Mariana's contract, his Assigned Duties included preparation of an evaluation of the organization and recommendations for staffing and operations.

Attached for the Board's review and approval is Executive Director La Mariana's first Agency Assessment. This assessment provides a comprehensive overview of SBWMA's history, its current operations and recommendations in support of the Agency's goals, long-term plans as they align with the 2016-2017 Fiscal Year budget.

Attachments:

Resolution 2017-14
Exhibit A - Agency Assessment



RESOLUTION NO. 2017-14

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE 2016-2017 FISCAL YEAR AGENCY ASSESSMENT SUBMITTED BY EXECUTIVE DIRECTOR JOE LA MARIANA

WHEREAS, the Executive Director has prepared, for the Board’s consideration, an Agency Assessment reviewing South Bayside Waste Management Authority’s (SBWMA) history, current operations, goals and long-term plans as they align with the 2016-2017 Fiscal Year budget; and

WHEREAS, the Board reviewed the Agency Assessment at its public meeting on March 23, 2017, and provided an opportunity for public comment on the document; and

WHEREAS, the Board agrees with the recommendations made in the Agency Assessment and wishes to make this document available to the general public by placement of the document on the SBWMA website so that the public will have a better understanding of the important functions performed by the SBWMA.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority Board of Directors hereby approves the Agency Assessment for Fiscal Year 2016-2017 and directs that it be posted on the SBWMA’s website.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this **23rd** day of **March, 2017**, 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. 2017-14 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 23, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



A Public Agency

Agency Assessment

Submitted by Joe La Mariana, Executive Director

March 23, 2017

610 Elm Street, Suite 202

San Carlos, CA 94070

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1. INTRODUCTION

The South Bayside Waste Management Authority (SBWMA dba RethinkWaste) is at a turning point with the agency hiring a new Executive Director, having two vacant staff positions and a number of critical long term contracts supporting the agency's core operations expiring over the next few years. The timing is appropriate to review previous direction and consider potential changes to the short and long term plans for the organization. The SBWMA Board of Directors has tasked the Executive Director with developing an Agency Assessment that reviews the history of the agency, its current status, and considers changes that will provide clear direction and efficiencies for staff moving forward. The sections following the Executive Summary provide detailed descriptions of this assessment.

2. EXECUTIVE SUMMARY

The SBWMA Board of Directors has tasked the Executive Director with developing an Agency Assessment that reviews the history of the agency, its current status, and considers changes that will provide clear direction and efficiencies for staff moving forward.

There are key historical milestones within the SBWMA that include transitions such as hiring a dedicated Executive Director, transferring ownership of the San Carlos Transfer station from the operator to the agency, modernizing the site and building the Shoreway Environmental Center, transitioning from staff to elected officials on the SBWMA board, and managing a large number of contracts which collectively exceed \$100 million dollars a year. The SBWMA's small, but dynamic professional staff is at the center of the agency and supports the needs of its numerous stakeholders. Each stakeholder group provides invaluable perspectives and guiding direction, and requires reliable management, expertise, follow through and continuity to enable the responsible operation of the agency.

The primary drivers for the SBWMA come from the regulations in place since the 1960's, which established a regulatory framework to ensure that solid and hazardous wastes are managed in an environmentally sound manner. Agency staff work diligently to understand the regulations, and as part of this process, the SBWMA staff facilitates outreach and education programs, along with the large number of contracts, to increase diversion and to comply with ever-increasing state mandates. In addition, there are over 14 regulatory agencies that the SBWMA must report to in order to comply with state and federal laws and regulations. The regulatory agencies are responsible for ensuring compliance and providing structure to the process, as well as keeping the SBWMA JPA, Shoreway Environmental Center, Transfer Station, Recology yard and operations to ensure compliance.

One of the major responsibilities for the SBWMA staff is managing the \$100M operating budget and maintaining the covenant requirements for the outstanding \$53.5M revenue bonds, which is a critical element to the longevity of the agency. Additionally, the SBWMA manages \$13M in four separate Capital Reserve Funds. The SBWMA budget expenses include the following major cost components:

- The cost to own and maintain the Shoreway facility.
- The cost to pay South Bay Recycling to operate the facility.
- The cost of off-site transfer, disposal and processing of materials.
- SBWMA program & administrative expenses.
- Debt service, and other expenses.

Additionally, the SBWMA manages six (6) contracts with vendors who provide services ranging from hauling material and leasing office space, to processing of organics, landfill, and construction & demolition material. The overall contracted amount is just under \$92M a year, with continual management from the SBWMA staff, as well as negotiating new contracts when they expire. The Shoreway Environmental Center serves as a major regional solid waste and recycling facility for receiving, handling and transferring of recyclables, organics and garbage, and manages 472,300 tons of material annually, with processing costs of almost \$25M.

The SBWMA staff provides management, oversight, deliverables and expertise in moving the agency forward at the direction of the SBWMA Board of Directors and Member Agency staff. Each position was created to provide a unique addition to the SBWMA and a well-rounded team to strengthen the agency. **The SBWMA and its staff provide these key benefits for agency membership:**

1. Bulk Procurement Power
2. Shoreway Environmental Center Facility (SEC) Co-Ownership
3. Direct Cost Control For SEC JPA Members
4. Regional Control of Materials (Flow Control), Results in Favorable Capital Expenditure Funding
5. Shared Compliance Costs and Reporting Activities
6. Shared Professional Technical Staff
7. Regional Decision Making and Legislative/Regulatory Advocacy

In 2016, the SBWMA performed an assessment to benchmark its franchised collection service program, including program costs, diversion rates, staffing and outreach, comparing the SBWMA to nine (9) other municipalities. The overall conclusions of the study show that SBWMA costs and staffing are equivalent if not better than most other agencies. The one unique difference between the SBWMA and all other agencies is that SBWMA owns and manages operational contracts for their facilities, whereas the other agencies do not. The key take away is that our overall diversion rate is lower than all but one agency, and our per capita cost is the lowest of all agencies studied.

Additional research was performed to understand similar recycling facility tour programs. Four (4) agency tour programs were analyzed and the conclusions of the study found the SBWMA is higher than the other agencies with regards to the number of annual tours provided and number of visitors, with a small number of employees.

For the next two years, our agency's top three priorities and goals are to:

- Successfully secure an extension of the Model Franchise Agreement and Pricing.
- Renew material handling contracts—Construction & Demolition (C&D); Organics; Disposal.
- Develop strong internal resources and external collaboration to maximize member agency value.

Recommendations

The following recommendations are made by the Executive Director in support of the Agency's goals and long term plans, while aligning with the 2016/17 fiscal budget.

- **Contract Management:** Staff has terminated contracts, deliberately allowed other contracts to expire, and reduced the scope of some contracts that are not in direct alignment with current agency priorities, which resulted in a total cost savings of \$386,104 related to nine contracts.

- **Leveraging Resources:** Staff will strategically identify and leverage external partnerships and resources to achieve cost efficiencies and maximize program objectives.
- **Agency Staff:** The Executive Director will continue to evaluate the Agency's staffing to ensure that staff is delivering quality service to the Member Agencies in the most efficient and cost effective manner.

3. ASSESSMENT

This section details the agency assessment in more detail, providing background and clarification on where the SBWMA has been, what has inspired past direction, and a review of budgetary, staff and contractual obligations.

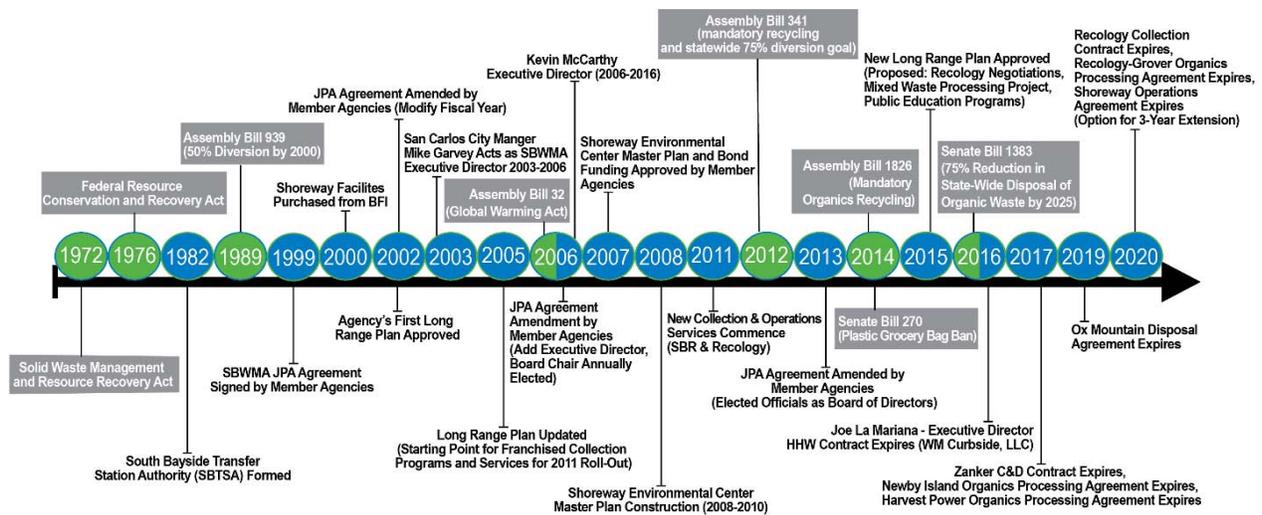
3.1 Background

In order to identify how the SBWMA should move forward, it is important to review and understand the history of the agency and actions taken, and to evaluate the legislation adopted over the last 35 years. The agency has significantly evolved during this period and with this evolution, it has grown from a contract staff person running the organization with oversight from the City of San Carlos City Manager, to a dedicated Executive Director with seven (7) staff, and a Board of Directors comprised of representatives from the 12 member agencies. Significant changes have taken place, and in order to understand these changes, it is important to remember this history.

History

The key milestones within the SBWMA history include: hiring a dedicated Executive Director; transferring ownership of the San Carlos Transfer station from the operator to the agency; modernizing the site and building the Shoreway Environmental Center; transitioning from staff to elected officials on the SBWMA Board; and managing a large number of contracts which collectively exceed \$100 million dollars per year. The SBWMA staff has facilitated outreach and education programs along with these contracts, to increase diversion and to comply with ever-increasing state mandates. **Exhibit 1** shows the layers of change that have transpired, including the upcoming expiration of contracts.

Exhibit 1. SBWMA Historical Timeline



3.2 Agency Purpose

The SBWMA is a joint powers authority (JPA) of twelve public agencies that owns and manages the Shoreway Environmental Center, provides strategic oversight, support, and management of service providers, and is a leader in the delivery of innovative waste reduction and recycling programs.

The SBWMA is recognized for its innovative waste reduction and recycling programs and facility infrastructure which are dedicated to the preservation and enhancement of the quality of life and the environment for our Member Agency (MA) communities.

The SBWMA Mission:
To cost effectively design, implement and manage innovative waste reduction and recycling programs and facility infrastructure that fulfills our fiduciary responsibilities to our Member Agencies while achieving community environmental and economic goals.

The SBWMA staff's primary purpose is to provide technical solid waste industry expertise and guidance in order to implement the agency's core values, strategic priorities and Board Member direction.

The **SBWMA's Core Values** are:

- Delivering high quality, and cost-effective resources and services for our customers, and contractors.
- Conducting long-term planning for waste reduction and recycling programs and facility infrastructure is fundamental to achieving our mission.
- Implementing waste reduction, recycling and environmental education programs is paramount to achieving a greater resource conservation ethic and sustainable communities.
- Providing sound environmental policies and practices for our MA communities.
- Facilitating excellent communication, collaboration and cooperation among all our stakeholders produces the best long-term results.

The SBWMA's **Strategic Priorities** are to:

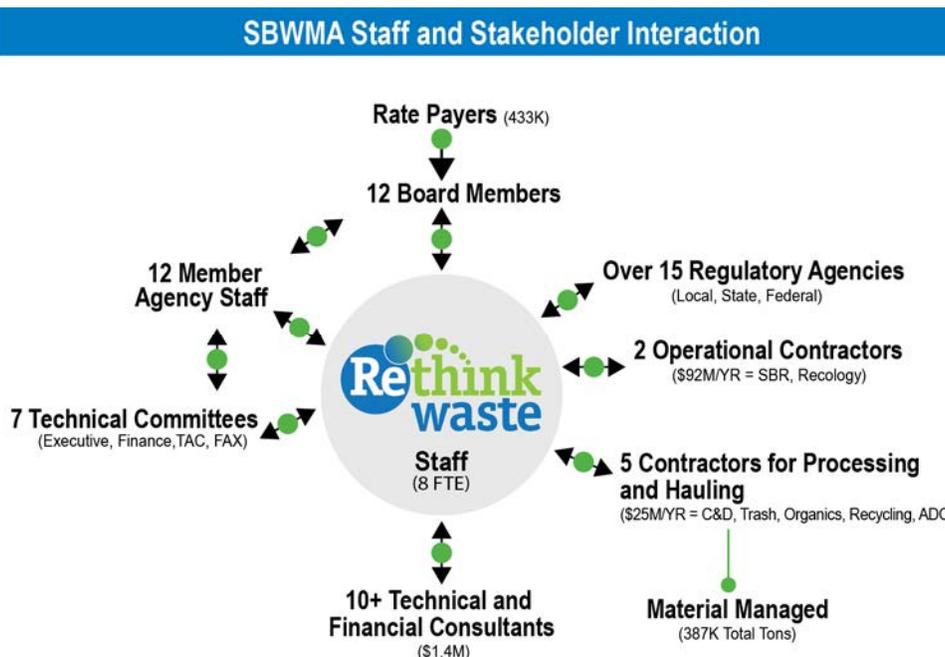
- Provide day-to-day oversight, support, and management of service providers that collect, process, recycle and dispose of materials for the Member Agencies.
- Ensure contractors' and SBWMA programs are cost effective for the ratepayers.
- Provide day-to-day oversight of the Shoreway Environmental Center to meet financial, operational, and environmental goals.
- Meet or exceed environmental policies and regulations governing the collection and processing of recyclables and organics.
- Anticipate trends and implement innovative long-term solutions for waste reduction and recycling programs, facility infrastructure and disposal capacity.
- Monitor and assess contractor performance to ensure customer satisfaction and service delivery that meets or exceeds contractual requirements.
- Support SBWMA programs and policies through focused community outreach, education and promotion of rate payer value received.

- Manage the annual contractor compensation process to set contractor compensation and recommend MA solid waste rate adjustments.
- Develop, implement and manage enhanced waste reduction and recycling services for Member Agencies (i.e., curbside HHW/universal waste/e-scrap collection services; seasonal community events such as e-scrap collection and shred events, compost giveaways, etc.).

SBWMA Staff and Member Agencies

The SBWMA's small, but dynamic professional staff is at the center of the agency and supports the needs of its numerous stakeholders. Each stakeholder group provides invaluable perspectives and guiding direction, and requires reliable management, expertise, follow through, and continuity to enable the responsible operation of the agency. As depicted in **Exhibit 2** below, there are many stakeholders that require timely information and attention by the SBWMA staff. Along with the myriad of interaction between the multiple stakeholders, millions of ratepayer dollars are managed each year.

Exhibit 2. SBWMA Staff Stakeholder Interaction



Key Benefits of Agency Membership

There are many compelling financial and organizational benefits to participation in the SBWMA JPA. These benefits include:

1. Bulk Procurement Power:

There is no greater attribute to JPA membership than shopping for solid waste collection and materials handling services in the Bay Area marketplace on a collective basis. This aggregated strategy results in top-tier pricing for equipment, facilities and operational services in this capital-intensive industry. As a result, the agency's ratepayers enjoy a comprehensive range of services that are provided by innovative contractors who provide the agency with their best programs at their most favorable rates.

2. **Shoreway Environmental Center Facility (SEC) Co-Ownership:**

The JPA owns the 16-acre SEC site that is strategically located in the center of the JPA's service area in San Carlos. Our facility is immediately adjacent to the region's major arterial roadway, Highway 101 with two major egress intersections, Holly Street and Ralston Road. Owning a fully permitted, high-volume solid waste facility with such an important and strategic urban location has extremely desirable operational value. Without having a local site, the contractor's trucks would have to make individual trips to the Ox Mountain landfill in Half Moon Bay, or to the Sunnyvale SMART Station for every load of garbage disposal (collection trucks average 2-3 loads per day), or to San Jose and beyond for organic material and construction and demolition material processing. Siting an alternate site with such favorable operational characteristics in today's current real estate market would be simply cost-prohibitive.

3. **Direct Cost Control of Solid Waste Handling Services for JPA Members:**

Self-ownership of the Shoreway Environmental Center allows member agencies, Staff and stakeholders to exert direct control over the important goal of maintaining facility rates. Without a local permitted, solid waste facility, the rates for all of these services would spike significantly due to the fact that private companies with nearby solid waste facilities could charge "what the market will bear". By owning the Shoreway MRF and transfer station, the SBWMA is able to obtain waste handling services very cost effectively by selecting contractors through a highly competitive procurement process. Additionally, the SBWMA has been able to maintain tight cost control over rate increases through a ridged cost-indexing program that closely follows CPI.

4. **Regional Control of Materials Results in Favorable Capital Expenditure Funding:**

Large solid waste handling facilities are capital intensive. Setting up and maintaining waste processing equipment for high efficiency and diversion requires that processing equipment be state of the art. By controlling the flow and rate structure for approximately 500,000 tons per year of waste materials, the SBWMA is an attractive borrower and is able to obtain favorable financing terms that save rate payers money.

5. **Shared Compliance Costs and Reporting Activities:**

The facility is regulated by over 14 different local, state and federal agencies for permitting, safety and environmental compliance, including: solid waste facility operation; air quality standards; regional storm water discharge; fire safety; underground/above ground storage tanks; hazardous waste generation; and multiple safety, equipment, and vehicle related permits. Each of these activities has strict reporting, auditing and program compliance requirements with associated costs that are shared by the member agencies.

6. **Shared Professional Technical Staff:**

Agency staff provides its member agencies with critical technical support and value in all aspects of the program that would be cost-prohibitive for each individual MA to fund, including:

- a. Solid waste industry expertise

- b. Responsible facility/site operation
 - c. Maintaining public health and worker safety standards throughout entire operation
 - d. Contract execution and contractor compliance
 - e. Responsive and respectful support with all stakeholders.
 - f. Financial planning, controls, reporting and auditing
 - g. Review and management of annual rate setting process
 - h. Maintaining environmental regulatory reporting, compliance & integrity
 - i. Responsible capital expenditure implementation
 - j. Visionary long range planning
7. **Regional Decision Making and Legislative/Regulatory Advocacy:** According to the 2015 estimate on Census.gov, the SBWMA's 433,000 ratepayers represent 57% of San Mateo County's entire population (765,135). This weighting provides member agencies with a powerful and influential voice in regional planning issues and the development and implementation of relevant legislation and regulations at the local and state level. Agency staff have excellent working relationships with important local and state legislative decision makers and their gatekeepers, and within the regulatory agencies that dictate how we operate. These relationships are important and they matter a great deal.

Drivers for Agency

Since the 1960's, federal, state and city governments have developed a regulatory framework to ensure that solid and hazardous wastes are managed in an environmentally sound manner. Multiple governmental agencies at each level have responsibility for regulating each component of the solid waste management system including collection, processing, and final disposal. Regulation is used to set basic standards for waste transportation, handling, and disposal to ensure consistency and to protect public and worker health and maintain environmental integrity. The primary drivers for the SBWMA come from these regulations. Agency staff work diligently to understand the regulations that will directly affect their Member Agencies, rate payers and operations. Regularly, a full review is made and a plan is developed on how to comply with relevant laws and regulations. Over the last 45 years, significant legislation has been created, those primary bills can be seen in **Exhibit 3**. The most critical include the State Solid Waste Management and Resource Recovery Act, the Federal Resource Conversation and Recovery Act, and California Assembly Bills AB 939, AB 341 and AB 1826. Please refer to **Exhibit 3** below.

Exhibit 3. Federal and State Laws and Regulations Timeline

1972	Solid Waste Management and Resource Recovery Act
1976	Federal Resource Conservation and Recovery Act
1989	Assembly Bill 939 (50% Diversion by 2000)
1989	Assembly Bill 1843 (Tire Recycling Act)
2004	Senate Bill 20 (Electronic Waste Act)
2006	Assembly Bill 32 (Global Warming Act)
2007	Assembly Bill 2347 (Mercury Thermostat Collection)
2008	Senate Bill 1016 (Diversion Calculated by Pounds per Capita)
2010	Assembly Bill 1343 (Paint Recovery Act)
2010	Assembly Bill 2398 (Carpet Product Stewardship)
2012	Assembly Bill 341 (Mandatory Recycling and Statewide 75% Diversion Goal)
2013	Senate Bill 254 (Mattress Recycling)
2014	Senate Bill 270 (Plastic Grocery Bag Ban)
2014	Assembly Bill 1594 (Yard Trimmings Used as ADC No Longer Counts as Diversion)
2014	Assembly Bill 1826 (Mandatory Organics Recycling)
2016	Senate Bill 1383 (75% Reduction in State-Wide Disposal of Organic Waste by 2025)

There are also a large number of regulatory agencies that the SBWMA must report to in order to comply with state and federal legislation. These regulatory agencies, as seen in **Exhibit 4**, are responsible for ensuring compliance and providing structure to activities including, but not limited to, managing safe operations, proper management of material, adequate traffic flow, proper drainage and cleaning of storm water, maintaining appropriate permits, proper reporting of franchise fees and sales tax, among many more. In Attachment A, a letter from CalRecycle Director Scott Smithline outlines they will *“fully exercise its authority to endure that jurisdiction’s specified disposal reduction and recycling programs are in compliance with state law”*. This is a critical component to our continued program implementation and support for statewide legislation and compliance.

Exhibit 4. Regulatory Agencies



A primary responsibility of SBWMA staff is to work with the different regulations and over fourteen (14) regulatory agencies involved to keep the SBWMA JPA, Shoreway Environmental Center, Transfer Station, Recology yard and operations running smoothly and in compliance. As part of staff's service to provide updates and direction to MA's and the SBWMA Board of Directors, data is gathered, reports are prepared, and reviews are made of contract performance, regulatory compliance, and rate analysis. The integrity of the work performed by the SBWMA staff and the contractors hired by the agency is a critical component of compliance.

3.3 SBWMA Staff: Roles & Responsibilities

The SBWMA has many direct responsibilities focused on efforts to increase diversion while complying with regulations in support of its MA's. AB 939, California's Integrated Waste Management Act, and a number of subsequent related legislation, codified the role of local jurisdictions in managing solid waste. Cities and counties must plan and implement policies and programs to reach and maintain the 50% diversion requirement measured as a reduction in disposal in pounds per person per day. All MA's are in compliance with the AB 939 requirements. Local jurisdictions have a critical role in implementing State-mandated requirements, such as AB 939, and more recently the mandatory commercial recycling requirements of AB 341 California's Mandatory Commercial Recycling Act and organics diversion requirements of AB 1826 California's Mandatory Commercial Organics Act. In addition, SB 1383 California's Short Lived Climate Pollutants Act was just signed into law and resides under the California Air Resources Board. With the support of the SBWMA staff and contracted service providers, the MA's have successfully met the challenges of these State mandates and are well positioned to meet future requirements. Staff will continue to work closely with all MA's to maintain full compliance with these every changing and increasingly challenging regulations.

Staff

In FY 16-17, the SBWMA has an approved administrative budget of \$3,360,172 that includes 8.0 FTE positions. The actions from SBMWA staff and decisions made directly affect 433,000 ratepayers, 10,000+ businesses and multi-family properties, over 60 elected officials and their staffs, about 400 contractor employees and many contractors. It is important to align the objectives of the SBWMA and MA's while managing staff time and deliverables.

The SBWMA staff provides management, oversight, deliverables and expertise in moving the agency forward at the direction of the SBWMA Board of Directors and MA staff. Each position was created to provide a unique addition to the SBWMA and a well-rounded team to strengthen the agency. **Table 1** below shows each position which provides expertise to complete the team. Currently, the SBWMA has 2.0 FTE positions open, the Recycling Programs Manager and the Recycling Outreach and Sustainability Manager.

Table 1. SBWMA Staff: Summary of Current Position Titles & Responsibilities

SBWMA Staff: Summary of Current Position Titles & Responsibilities Authorized Staff: 7.0 FTE		
	Current Job Titles	Current Job Responsibilities
1	Executive Director	Manages SBWMA staff, programs and contractors to meet mandated health and environmental stewardship laws and all financial goals. Serves as lead agency spokesperson with board, media and all member agency stakeholders.
2	Facility Operations Contract Mgr.	Manages/oversees all contractor operations, all SBWMA-owned assets--including the 16-acre Shoreway Environmental Center in San Carlos (Transfer Station and MRF), contracts with SBR and all processors.
3	Financial Services Mgr.	Provides rate reviews, analysis, projections, budget development/maintain/reporting, HR and benefits. Manages financial services vendors.
4	Recycling Programs Mgr.	Manages mandated recycling outreach, programs and franchise oversight.
5	Recycling Outreach & Sustainability Mgr.	Manages the outreach and public educational materials, press releases, newsletters and climate initiatives.
6	Office Manager/Board Secretary	Provides critical agency continuity by managing all office systems, board and sub-committee packet production/support, agency purchase order system, and administrative support. Serves as primary contact for customer inquiries.
7	Environmental Education Coordinator	Manages schools outreach and education program, and the Shoreway Environmental Center facility tours.
8	Environmental Education Associate	Provides the tours of the Shoreway Environmental Center facility and visits schools to promote environmental awareness lessons to students, teachers, administrators and chaperones.
10	Environmental Program Interns	High School--Summer

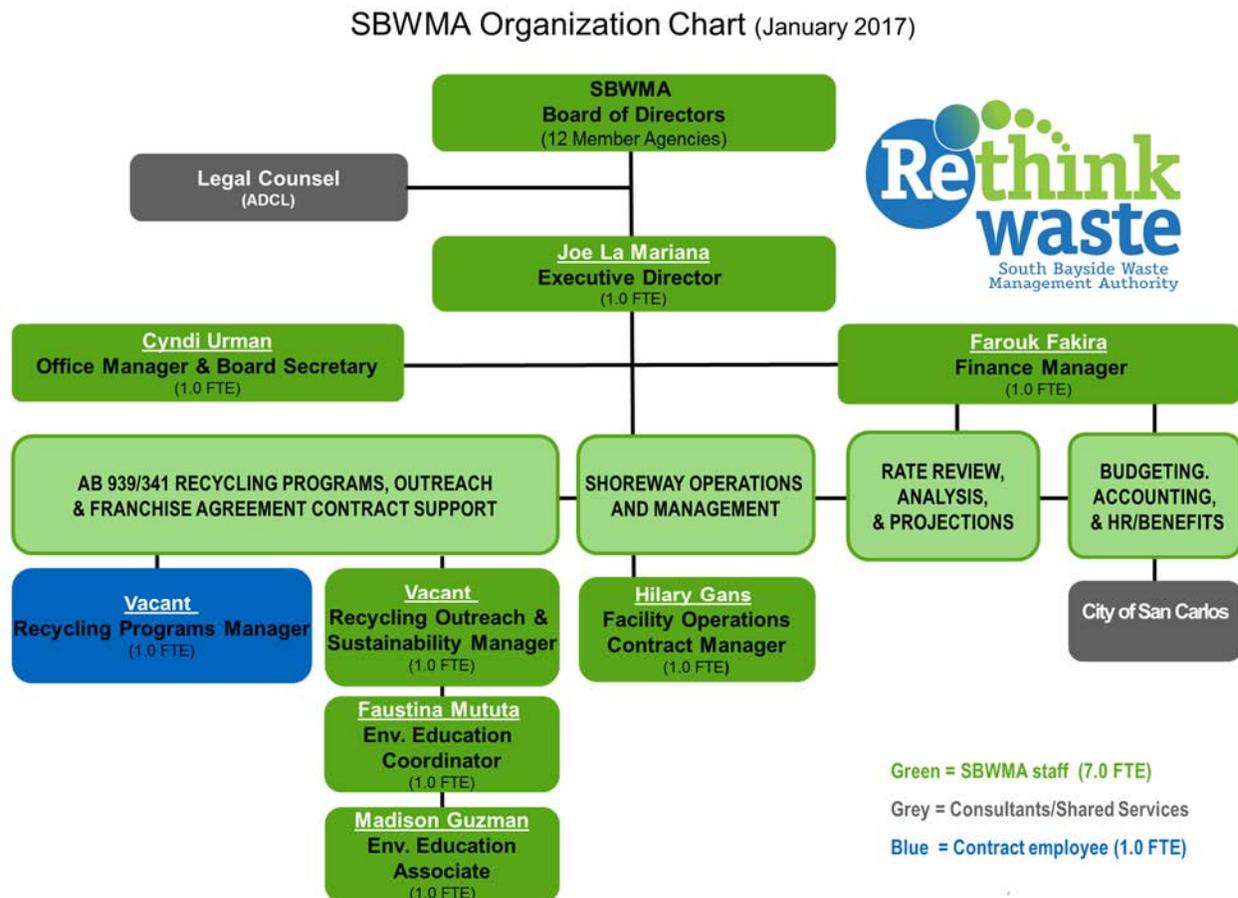
Along with the SBWMA staff, there are two important supplemental contracted services:

- **Legal Counsel:** Provides general legal counsel for the SBWMA working closely with agency staff and the Board of Directors.

- **City of San Carlos:** Provides standard accounting services, HR and benefit assistance to the SBWMA Finance Manager.

Exhibit 5 shows the SBWMA staff organizational chart from January 2017, two of the identified positions remain open.

Exhibit 5. SBWMA Organizational Chart (January 2017)



Outreach and Diversion Programs Overview

SBWMA staff provides overview, development and management of outreach and diversion programs for all 12 MA's. The level of effort for this work is associated with the statutes and regulations that are signed into law and adopted. For each law or regulation, there are associated actions and ongoing deliverables that each MA which must complete and submit to CalRecycle. These reports also communicate current and planned programs, which allows CalRecycle to measure success and progress for each jurisdiction. The SBWMA staff provides the data and information for these reports, and also strategically plans new outreach and diversion programs in order to comply with current regulations, and plan for future legislation that will impact each MA. The three major reports due to CalRecycle for compliance with AB 939 are described below:

- **The Source Reduction and Recycling Element (SRRE)** is a master solid waste planning document required by AB 939 that each jurisdiction had to prepare, adopt, and submit to

CalRecycle. The SRRE demonstrates how the jurisdiction will meet the Integrated Waste Management Act's mandated diversion goals. Each jurisdiction's SRRE must include a program for management of solid waste generated within the jurisdiction that is consistent with the following hierarchy: 1) source reduction, 2) recycling and composting, and 3) environmentally safe transformation and land disposal.

- **CalRecycle Electronic Annual Report** describes the progress a jurisdiction has made in achieving the requirements of the Integrated Waste Management Act, (AB 939, Chapter 1095, Statutes of 1989) and the Per Capita Disposal Measurement Act of 2008 (Chapter 343, Statutes of 2008 [Wiggins, SB 1016]). The annual report includes the numbers used to calculate a per capita disposal rate plus all required documentation to support changes to those numbers. It also includes a status report on planned and implemented solid waste diversion programs and facilities, as well as planned or implemented revisions to approved solid waste planning documents. Upon its submittal every August 1st, CalRecycle's program enforcement staff critically reviews these reports to determine full compliance with all regulations.
- **Disposal Reporting System (DRS)** is the set of guidelines that tracks the origin of waste disposed in California's landfills, and waste sent from California to out-of-state landfills. The SBWMA staff provides information to the County for these reporting purposes. The DRS is used for calculating per capita disposal rate and measuring goal achievement for jurisdictions, calculating California's disposal rate, identifying variability in jurisdiction waste disposal over time, identifying changes in the flow of waste disposed over time, and tracking waste exported out of state.

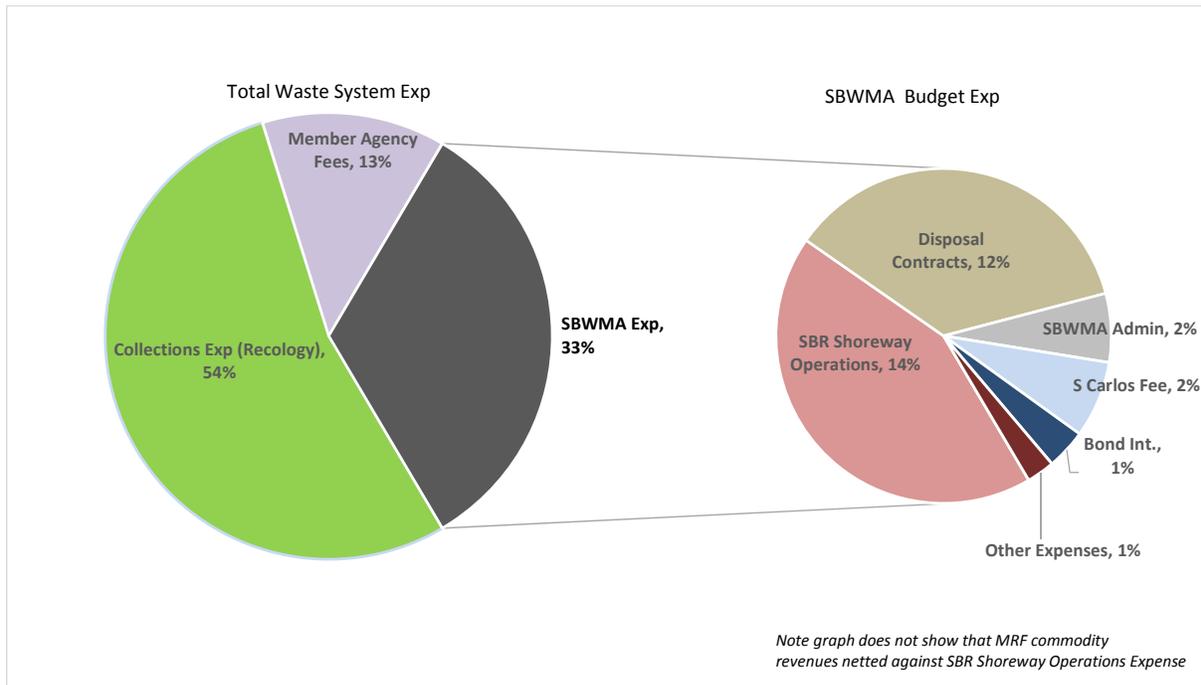
3.4 Budgetary Responsibilities

The JPA Agreement, which SBWMA operates under, was executed in June 1982 and provides for the exercise of certain powers common to the MA's. It provides for the "joint ownership, financing, administration, and operation of the Facilities (Shoreway facility), and for the joint planning, adoption, financing, and administration, management, review, monitoring, enforcement and reporting of solid Waste, Recyclable material, and Plant Collection activities in the service area". As part of the responsibilities of the SBWMA staff, exercising the right to manage the \$100M operating budget, the \$3.3M administrative budget and maintaining the covenant requirements for the outstanding \$53.5M revenue bonds, is a critical element to the longevity of the agency. The SBWMA budget expenses include the following major cost components:

- The cost to own and maintain the Shoreway facility.
- The cost to pay SBR to operate the facility.
- The cost of off-site transfer, disposal and processing of materials.
- SBWMA program & administrative expenses.
- Debt service, and other expenses.

Exhibit 6 presents the total expense of the "Waste System" and shows how the SBWMA Budget relates to the Recology Collection Services expenses and MA's Fees.

Exhibit 6. SBWMA Budget as Percent of Total Waste System Exp. (FY16/17)



Contract Management

The SBWMA manages eight (8) contracts with vendors who provide services ranging from hauling material and leasing office space, to processing of organics, landfill, and construction & demolition material. The overall contracted amount is just under \$92M a year, with continual management from the SBWMA staff, as well as negotiating new contracts when they expire, ensuring that the MA's receive the best cost possible. Table 2 shows each of the contracts currently in place, the value of the contract, and when it will expire.

Table 2. SBWMA Major Contract Values

SBWMA Major Contract Values			
Contract	Contract Expires	Annual Contract Value	10-year Contract Value
Newby Island Composting Agreement	2017	\$ 2,687,475	\$ 26,874,750
Ox Mountain Disposal Agreement	2019	\$ 8,763,600	\$ 87,636,000
Recology-Grover Composting Agreement	2020	\$ 1,816,500	\$ 18,165,000
South Bay Recycling Shoreway Operations Agreement	2020	\$ 18,096,917	\$ 180,969,170
Recology Collection Services Agreement	2020	\$ 57,700,000	\$ 577,000,000
Zanker Construction & Demolition Processing Agreement*	2022	\$ 2,315,220	\$ 23,152,200
	Total	\$ 91,379,712	\$ 913,797,120

Source: 2015 contract values

*Reflects new contract executed in February 2017

The Shoreway Environmental Center serves as a major regional solid waste and recycling facility for receiving, handling and transferring of recyclables, organics and garbage. The material is managed by South Bay Recycling on a daily basis, with large volumes of material coming in from all over the SBWMA service area. **Table 3** identifies the total amount of material managed is 472,300 tons annually, with processing costs of almost \$25M.

Table 3. SBWMA Material Management

Materials Managed (2015)		
Material Type	Tons Per Year	Processing Costs
Recyclables (SBR @ Shoreway MRF)	109,000	\$ 9,209,410
Organics (Newby & Grover Compost)	105,000	\$ 4,503,975
Construction & Demolition (Zanker)*	38,600	\$ 2,315,220
Inerts to Landfill ADC	1,700	\$ 45,900
Municipal Solid Waste (Ox Mtn Landfill)	218,000	\$ 8,763,600
Total	472,300	\$ 24,838,105

**The processing costs reflect the new contract executed in February 2017.*

Budget's Relationship to the Rate Setting Process

The MA rate setting process begins in March of each year with creation of the previous calendar year's revenue reconciliation report. The SBWMA's portion of this complex process concludes at the SBWMA September Board meeting, where the two contractor's Compensation Adjustment Applications are historically approved. Upon SBWMA Board approval, each MA then proceeds in setting its individual rates for its respective jurisdiction for the following rate year.

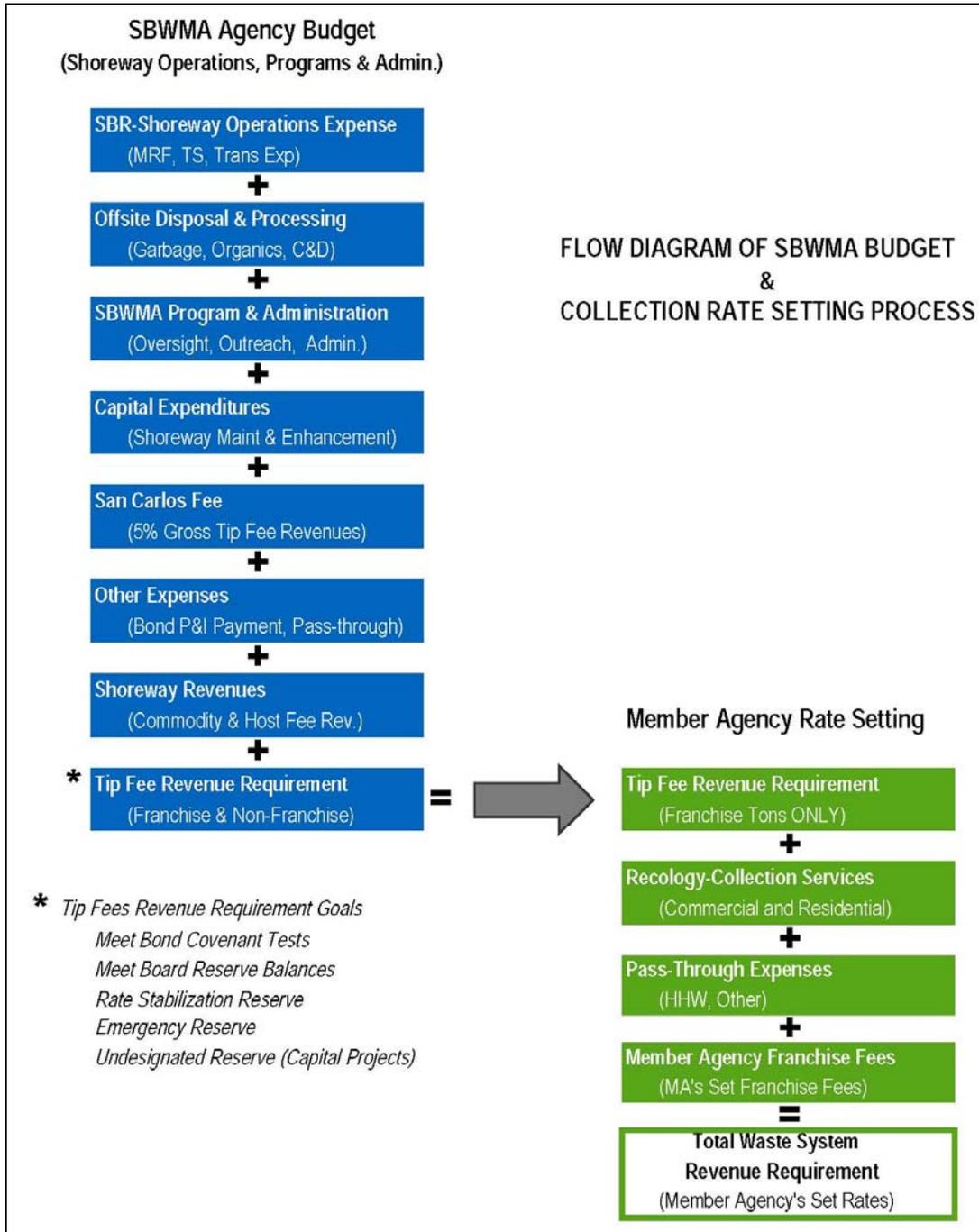
Approving the SBWMA Budget is the first step in the MA Rate Setting Process. As shown in Collection Rate Setting Process Flow Diagram (**Table 4**), the SBWMA Budget serves as the starting point for developing the Tipping Fee Revenue Requirement charged on all franchise and non-franchise tons handled through the Shoreway Environmental Center.

The Collection cost paid by each residential and commercial customer includes:

1. Tipping Fees for blue/green/black cart materials dumped at the Shoreway facility.
2. Cost of Recology's Collection Services.

The MA's set their Collection Rates to cover their allocated portion of the anticipated Total Waste System Revenue Requirement and their individual MA Fees.

Table 4. SBWMA Rate Review Process



3.5 Comparison to Other Agencies

In 2016, the SBWMA performed an assessment to benchmark its franchised collection service program, including program costs, diversion rates, staffing and outreach, and its recycling facility tour program, comparing the SBWMA with nine other municipalities (seven municipalities similar to SBWMA are shown in Table 5 below). The research performed identified that each agency tracks and measures data differently, and there are no true “apples to apples” comparisons. However, the overall conclusions of the study show

that the SBWMA costs and staffing are equivalent if not better than most other agencies. The results can be seen in **Table 5** and demonstrate that SBWMA's:

- **Overall diversion rate** is lower than all but one agency.
- **Program budget** is higher than three (3) of the other agencies, however those three agencies serve populations half the size of the SBWMA's.
- **Program cost** is higher than four (4) of the other agencies, however those four agencies serve smaller populations than the SBWMA.
- **Per capita cost** is the lowest of all agencies.
- **Staffing** consists of eight (8) staff and there are only two (2) other agencies that have fewer staff, however they also have half the population of the SBWMA. All other agencies range from 9 to 26 staff.
- **Per capita staffing ratio** is higher than four (4) other agencies, however those four agencies serve smaller populations than the SBWMA.

The one unique difference between the SBWMA and all other agencies is that the SBWMA owns and manages the operational contracts for its facilities, whereas the other agencies do not own any facilities. Rather, they focus exclusively on environmental policy, program development and implementation.

Table 5. Local Agency Comparison

SBWMA Benchmark Comparison with Other Local Agencies			
Agency	Population	Program Budget	Agency Staffing (FTE's)
SBWMA	433K	\$2.8 M	7
CCCSWA	200K	\$2 M	6
Fremont	210K	\$2.6 M	4
Oakland	396K	\$7.5 M	9
Palo Alto	66K	\$1 M	12
San Francisco	850K	\$6 M	10
San Jose	984K	\$7.4 M	16.33
Stopwaste	1.5M	\$10.9 M	26

Source: SBWMA Benchmark Report, May 22, 2014 SBWMA Board Packet

Additional research was performed to understand similar recycling facility tour programs. Four agency tour programs were analyzed and the conclusions of the study found the SBWMA is higher than the other agencies with regards to the number of tours provided and number of visitors with a small number of employees. The results can be seen in **Table 6** and are as follows:

- **Program cost per capita** is lower than two of the other agencies.
- **Program age** is the newest in comparison to all other agencies.

- Number of tours each year is greater than all of the other agencies.
- Number of employees is lower than two (2) of the other agencies.
- Number of visitors is higher than all agencies but one.
- Number of tours by FTE is higher than all other agencies.

Table 6. Recycling Facility Tour Program

Recycling Facility Tour Program						
Agency	Program Cost Per Capita	Program Age	Tours / Year	# of FTE's	# of Visitors	Tours per FTE
SBWMA	\$0.51	6	232	2	6,072	129
Stopwaste	\$0.38	19	225	3.73	9,000	60
Boulder County (EcoCycle)	\$0.95	27	100	6	2,500	17
San Francisco	\$0.09	15	78	0.7	2,367	111
West Contra Costa Solid Waste Authority	\$0.66	15	39	1	1,191	39

4. ASSESSMENT FINDINGS AND RECOMMENDATIONS

SBWMA staffing, procurement, and general office practices are all operating within established public agency norms for our region. Our Staff exemplifies a strong commitment to the agency's mission and to meeting the needs of our board members, MA staff, our contractors, and the general public. The following are some preliminary findings:

The SBWMA's internal agency financial and operating practices meet public procurement and financial standards. This statement is supported by MAZE and Associate's 2015 annual audit findings

- **The SBWMA's contractor's financial and operations practices meets solid waste industry-related and GAAP standards.** This statement is supported by R3 and Associates 2015 annual review of Recology's and South Bay Recycling's financial and operation systems audits.
- **The SBWMA's Shoreway Environmental Center (SEC) site operates in full compliance with all local, state and federal laws for solid waste handling, worker safety, and community/environmental health.** This statement is supported by the absence of any "Notice of Violations" by the 15+ regulatory agencies that have direct jurisdiction over the SEC.
- **The SBWMA's two primary contractors, Recology and SBR, operate within industry financial norms.** This results in our MA garbage and recycling rates being well-within local market ranges. This statement is supported by HF&H Consultants Annual Rate survey.
- **The employee's and sub-contractors of SBWMA's two primary contractor's, Recology and SBR, receive fair prevailing wages and benefits for their work.** This statement is supported by the current Collective Bargained Agreements between the contractors and Teamsters Locals 3 and 350. A separate agreement for Vocational Rehabilitation Services (VRS) for sorters is currently

being finalized between SBR and the County. When completed, SBR will be in full compliance of the County's new Living Wage Ordinance.

As with any dynamic organization, there are always opportunities for improvement. A close assessment was performed of contract management, leveraging external resources, agency staffing, Long Range planning and SEC Site Planning. Further details are included in the following pages.

4.1 Contract Management

During the past five months, assessing contracts has been a priority in order to procure functions and to minimize redundant activities, while still performing within standard public government standards. Two examples of contract management performed by SBWMA staff are:

- **A. Transition Contracts:** SBWMA staff has managed contracts with proven agency service providers that range from annual to three-year agreement terms, including performance-based term extension options for two more years. This eliminates unproductive staff time, and preserves valuable board time for high-level issues. Five examples include (but are not limited to):
 - Aaronson Dickerson Cohn and Lanzone (legal services)
 - City of San Carlos (accounting services)
 - DTE Networks (IT services; tech support)
 - T324 (web hosting service)
 - In Flow (phone system support)

- **B. Critical Contract Re-assessment Reduction/Elimination:** Staff has terminated contracts, deliberately allowed other contracts to expire, and reduced the scope of some contracts that are not in direct alignment with current agency priorities. Nine current examples can be seen in **Table 7**.

Table 7. Contract Recommendations

Contractor	Contract Value	Status/Recommendation
Local Government Services (LGS)	\$12,000	-Terminated 10/10/16. -Recycling Programs Mgr. position now vacant.
One World Communications	\$109,000	-Expired on 12/31/2016. -Redundant services to SGA. -Do not renew.
My App (SBWMA's Mobile App)	\$19,845	-Expired on December 31, 2016. -Redundant w/Recology's mobile app. -Do not renew.
Recology/Other Contractors	\$119,200	-Every other week pilot. -Do not initiate
Sloan Vasquez	\$46,000	-Semi-Annual Contamination Audits. -Processors will determine compliance. No need to continue audits. -Do not renew

Contractor	Contract Value	Status/Recommendation
R3 Consultants	\$34,816	-Contract Compliance: Operations Review of Recology + SBR. Implement 3rd year efficiencies (>\$25k) (Previously \$35+K)
R3 Consultants	\$25,743	Contract Compliance: Financial Review of Recology + SBR Implement 3rd year efficiencies (>\$25k) (Previously \$35K)
RGS	\$5,000	Staff salary—market survey Performed every three years. Will be conducted in-house.
SCS Engineers	\$14,500	Customer Service monitoring calls performed annually. Will be conducted every three years.
TOTAL	\$386,104	

4.2 Leverage External Resources

Staff will strategically identify and leverage external partnerships and resources to achieve cost efficiencies and maximize program objectives. Examples of this approach can be seen in **Table 8**.

Table 8. External Resources

Collaborative Partner	Program Benefit
San Mateo County-Environmental Health Dept.	<ul style="list-style-type: none"> Maximize Household Hazardous Waste program for SBWMA ratepayers
City of San Carlos	<ul style="list-style-type: none"> Financial/Investment Services
San Mateo County-Human Services Agency	<ul style="list-style-type: none"> Vocational Rehabilitation Services (VRS)-retool program to provide reliable sorter work force in MRF.
Peninsula TV	<ul style="list-style-type: none"> Split costs w/Recology to create Pub Ed series to support outreach goals Work with local environmental-themed artist to advance Pub Ed messages to community
BayROC (Bay Area Recycling Coalition)	<ul style="list-style-type: none"> Pool regional funds with many fellow Bay Area public agencies to buy digital, radio and cable TV media to promote core pub education messages to meet state outreach goals.
San Mateo County-Airport Division/SamTrans	<ul style="list-style-type: none"> Identify and implement alternative, off-site parking for Shoreway Environmental Center employees. Current on-site parking areas will then be used at a higher and best use for solid waste handling/processing activities.
-Local legislators -San Mateo County-Legislative Staff -California League of Cities -California State Association of Counties	<ul style="list-style-type: none"> Leverage external resources to achieve agency goals regarding proposed legislation and regulations.

<p>-Solid Waste Association of North America (SWANA) Legislative Task Force -California Resource Recovery Association (CRRA) Policy Committee -Californians Against Waste (CAW) -California Product Stewardship Council (CSPS)</p>	<ul style="list-style-type: none"> Track and engage proposed relevant environmental, public health, and worker safety bills to determine positions (support/oppose/neutral) and partners.
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4.3 Agency Staffing

The goal is to continue building a well-respected team of competent solid waste professionals that are well versed on industry practices and trends, guiding legislation and public sector decision making procedures to meet the needs of the Board, its MA staff, and broad group of stakeholders. Five primary agency staffing goals include:

- Foster a desirable, highly-collaborative work environment for all staff members
- Emphasize respectful relationship building actions and activities with all stakeholders
- Align reporting structure to match optimum mix of positional responsibilities and individual staff strengths to provide best value for MA needs
- Maintain compensation and benefits package that is in-line with the industry and region
- Promote industry engagement to leverage professional development opportunities for staff

4.4 Enhanced SBWMA Technical Advisory Committee Engagement (TAC)

The SBWMA's TAC has a strong opportunity to play a more meaningful role in the Board's decision-making process. TAC Membership is comprised of senior-level MA staff members who are highly skilled at providing a first-cut comprehensive review of key programs, contracts and financial considerations before forwarding their recommendations to the SBWMA Board for final consideration. This proposal provides a limited schedule of four (4) well-defined TAC meetings that have one or two key agendized topics in which the TAC can perform a deep-dive review on the Board's behalf before these complex topics are ultimately presented to the SBWMA Board for their final consideration. The benefits include:

- Utilizing the MA's most experienced staff who represent the daily front lines with residents, businesses and regulators in support of our solid waste programs.
- TAC members are often recognized as technical experts when addressing many complicated, industry-specific topics that have direct cost-implications to our ratepayers
- Upon TAC review, all significant decisions will require final Board review. This approach utilizes TAC and Board participation at their respective highest and best uses.
- This format allows our valued contractors a regularly-structured mechanism to report out on program results and important issues to a technical workgroup that has the experience, technical knowledge and tenure to deep-dive into the details and provide first-tier response from the MA's perspective. All significant issues will be identified and forwarded with their assessment to the Board for their further consideration

Table 9. TAC Annual Schedule

Proposed TAC Annual Schedule		
Month	Primary Meeting Topics	Comments
January	<ul style="list-style-type: none"> *Annual Legislative/Regulatory Review & Priorities *Contractor Feedback <i>(Recology/SBR)</i> 	*Provides recommendations for legislative/regulatory priorities in upcoming year. Upon Board approval, Staff can work nimbly with industry partners on the development of proposed legislation that directly affects our operations, site and industry.
June	<ul style="list-style-type: none"> *CalRecycle Staff Meeting <i>(Compliance Review/Discussion w/TAC)</i> * Contractor Feedback <i>(Recology/SBR)</i> 	*Provides a unique opportunity for MA and agency Staff to directly engage with our primary program regulators on an annual basis. This meeting is strategically scheduled to proceed the August 1 st Annual Program Report (known as the EAR) by the member agencies that is due to CalRecycle

Proposed TAC Annual Schedule		
Month	Primary Meeting Topics	Comments
September	<ul style="list-style-type: none"> *Contractor's Compensation Application Review * Pub Ed Program/Commercial Program Review * Contractor Feedback <i>(Recology/SBR)</i> 	*Provides a first cut MA review of proposed rate reviews- after Staff and rate consultants have reviewed and before SBWMA conduct its final review and consideration.
October	<ul style="list-style-type: none"> *Shoreway Site Review: Facility Improvements/Capital Projects Review *Agency Scope of Services Review *Contractor Feedback <i>(Recology/SBR)</i> 	*Provides a structured annual review of site, operational and agency needs that will precede (by six months) the following year's budget, thus allowing time to investigate and review follow up items identified in this meeting.

4.5 Shoreway Site Planning & Long Range Priorities

Staff's recommended long-term focus for site/material handling improvements will continue to be:

- Utilizing the agency-owned permitted solid waste facility and 16-acre Shoreway site at its absolute highest and best use.
- Research, recommend and implement new cost-effective material handling systems and facilities that align with agency goals and state environmental law, including:

- **Zero Landfill Ad Hoc Committee findings:** (this work group will be reactivated and long term aspirational goals will be set). The Zero Landfill ad hoc committee meet six times in 2016 to explore programmatic and operational ways of achieving reductions in waste being sent to landfill. The *programmatic* ideas under consideration include increasing recycling program participation through additional program promotion, making recycling more convenient, mandatory recycling, and every-other-week garbage collection. *Operational* ideas include mixed waste processing to recover organics and recyclables in garbage and consideration of alternative technologies (e.g., gasification, pyrolysis) for converting waste to energy.
- **Mixed Waste Processing at Shoreway:** installation of a mixed waste processing line at the Shoreway transfer station is the essential first step to extract recyclables and organics from the garbage. While this system promises high diversion (and meeting California's 75% diversion goal) it is dependent on down-stream technologies to process organic waste material into a beneficial product. The viability of anaerobically digestion at a nearby waste water treatment plant is being tested.
- **Anaerobic Digestion of Organic Waste to Energy:** the SBWMA is working in partnership with Silicon Valley Clean Water (SVCW) to test the feasibility of digesting the organic fraction of the garbage stream into green energy and/or biogas for truck fueling. This project shows promise but the pilot project at SVCW is delayed. If SVCW does not move ahead with the AD project, SBWMA will consider other partners or AD options at Shoreway.
- **Expanded C&D Material Sorting:** starting in 2017, SBR initiated a C&D materials sorting project to reduce the amount (and cost) of processing this stream off-site. The pilot is using primarily manual labor but a mechanized approach is being considered with the design of the mixed waste processing system.
- **Expanded Organics Materials Sorting:** as with C&D, the off-site processing/ composting of green-bin organics continues to increase in cost. In the design of the mixed waste processing system, equipment to pre-process green-bin organics is being considered as a way to diversify market outlets.
- **New Value-added Services for our Member Agencies:** the 2010 master plan construction improved the safety, efficiency, and ease of use for customers dropping materials at the Shoreway Environmental Center. Staff continues to identify ways to improve Shoreway's services and functionality. Ideas include adding confidential paper shredding, hazardous waste drop-off, re-useables/swap area, enhancements to transfer station tour route, etc.

4.6 Discussion of Changing SBWMA Accounting from Fiscal to Calendar Year basis

- **Benefits**

- Simplify budget approval process by eliminating two-step 1st budgeting tip fee increases and later in year, requesting BOD approval of tip fees.
- Elimination of an accounting audit – agency now conducts a fiscal and calendar year audit and only one calendar year audit would be necessary for a cost savings of \$4K.
- Reduced complexity of accounting, budgeting, and reporting by aligning Agency with contractors, MA rate setting process, contract CPI indexes, and regulatory reporting.
- Align with contractors accounting and the compensation adjustment process
- Reduce accounting errors caused by translating between the two accounting years.

- **Challenges**

- City of San Carlos is on a fiscal year and they provide contract accounting services to SBWMA and are not certain that they can accommodate SBWMA on a calendar year based account system. Part of the challenge is software related which may require a purchase of additional software.

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STAFF REPORT

To: SBWMA Board Members
From: Chairman Bob Grassilli/Vice Chairman Charlie Bronitsky
Date: March 23, 2017 Board of Directors Meeting
Subject: Review and Approval of Executive Director's Goals and Performance Objectives

Recommendation

It is recommended that the Board of Directors now approve the Executive Director's Goals and Performance Objectives for 2017, attached hereto as Attachment 1.

Analysis

Pursuant to the August 1, 2016 Employment Agreement entered into with Joe La Mariana, Executive Director of the South Bayside Waste Management Authority (SBWMA), Paragraph 4, PERFORMANCE EVALUATION, Subparagraph 4(C), the Executive Director is to submit goals and performance objectives to the Board of Directors for review and approval on an annual basis. Executive Director La Mariana prepared proposed Goals and Performance Objectives for 2017 which have been reviewed by the Chair and Vice Chair of the Board.

The proposed Goals and Performance Objectives are attached for the Board's review. The Chair and Vice Chair recommend that the proposed 2017 Goals and Performance Objectives be approved.

Fiscal Impact

Attachments:

Resolution 2017-15
Exhibit A - Proposed Goals and Performance Objectives



RESOLUTION NO. 2017-15

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING THE EXECUTIVE DIRECTOR'S GOALS AND PERFORMANCE OBJECTIVES

WHEREAS, on August 1, 2016, Joe La Mariana was appointed as the Executive Director of the South Bayside Waste Management Authority (SBWMA); and

WHEREAS, Executive Director La Mariana's contract requires that he submit goals and performance objectives for the Board's review and approval on an annual basis; and

WHEREAS, Executive Director La Mariana submitted proposed Goals and Performance Objectives for review by the Chair and Vice Chair of the Board; and

WHEREAS, the Chair and Vice Chair have reviewed and recommend these Goals and Performance Objectives to the Board; and

WHEREAS, the Board has provided an opportunity for public comment on these proposed Goals and Performance Objectives; and

WHEREAS, the Board has discussed and provided its input on the proposed 2017 Goals and Performance Objectives and is now prepared to approve these Goals and Performance Objectives so as to give guidance to the Executive Director as called for by his employment contract.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority Board of Directors hereby approves the Goals and Performance Objectives attached as Exhibit 1 for Executive Director La Mariana for 2017.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 23rd day of March, 2017, 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. 2017-15 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on March 23, 2017.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary

2017 Executive Director Goals

1. Agency Management:

Continued management of the RethinkWaste staff and contracting partners to ensure efficient operation of the organization; applicable project coordination and execution of budget control. Whenever possible, while maintaining compliance and contractual integrity simplify policies and procedures regarding all aspects of agency operations and programs. Responsibly manage all agency resources, including:

- Shoreway facility operations
- South Bay Recycling--Operations contract
- Recology's Collection Contract
- Other agency procurement
- Annual Rate Review process
- Mid-Year and Annual Budget Process
- Maintain regulatory compliance with all relevant federal, state and local laws/regulations

2. Franchise Agreement Renewal Process:

Work closely with FAX ad hoc committee, SBWMA Negotiation team, Board members and Member Agency staff to renew/modify existing Franchise Agreements, or conduct a competitive procurement process. Manage overall process to achieve Board-stated goals outline in April 28, 2016 plan. Secure Board approval of final FAX committee recommendations.

3. Management of Mandated Programs:

Provide necessary approvals and program management and resources to ensure that RethinkWaste facility, programs and member agencies are in full compliance of federal, state and local solid industry statutory requirements for material handling, processing and diversion.

4. Member Agency Services:

Work effectively with Board members/alternates, member agency staff, RethinkWaste staff/contracting partners to fulfill board-approved initiatives and programs. Provide technical resources and expertise throughout the FY to support member agency program goals, rate-setting activities, and industry-specific events. Direct agency resources to support Board goals and committees, including:

- **Standing Committees:**
Executive; Finance; TAC
- **Ad Hoc Committees:**
FAX; Zero Landfill Committee; Facility Planning; Outreach/Pub Ed

5. Future Planning:

Provide ongoing assessment of industry trends/emerging technologies, environmental laws and financial best practices to ensure that Shoreway operations and RethinkWaste programs are fully positioned to meet agency Long Range Plan goals.

STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: March 23, 2017 Board of Directors Meeting
Subject: Resolution Approving Change Order number 1 to the Contract with SCS Engineers for Franchise Agreement Extension & Strategic Plan Assistance to support SBWMA staff

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2017-16 attached hereto authorizing the Executive Director to Execute Change Order Number 1 to the Professional Service Agreement with SCS Engineers (SCS) for Franchise Agreement Extension and Agency Assessment Assistance to support the SBWMA staff, for the additional not to exceed amount of \$18,400, as described in Exhibit A.

Background

On October 27, 2016, a Professional Services Agreement was entered into in the amount of \$45,000 with SCS Engineers for assistance to the SBWMA with staff-level research, writing and program support during the Recology Franchise Agreement Negotiations Process and, parts of the Agency Assessment. The SBWMA currently has two full-time vacant positions (e.g. the Recycling Outreach & Sustainability Manager position has been vacant since February 2016, and the Recycling Programs Manager has been vacant since September 2016) and has been utilizing SCS to provide additional support until able to hire one full-time position, as noted in the Agency Assessment. The additional work of editing the redline version of the model Franchise Agreement and its attachments, additional SBWMA staff meetings, collaboration with HF&H Consultants on the negotiation process, and writing the final report, board packet submittal and the Member Agency Council Meeting power point presentation were not included in the original scope of work, and therefore, were not considered in the original contract amount. With the approval of change order number one, the total contract amount for SCS Engineers services is \$63,400.00.

Analysis

SCS Engineers was recommended to provide additional SBWMA staff support based on the strength of their extensive experience providing assistance to the SBWMA during the last hauler RFP process in 2008 to 2010, current work performed on behalf of the SBWMA which provides insight into the SBWMA and how the organization runs, and their outstanding report writing and power point skills. Their assistance during this time is critical given the low staff numbers, and the experience they have supporting the SBWMA.

Fiscal Impact

The adopted FY16/17 budget has anticipated the need for consulting support for the collection franchise agreement negotiation process. Specifically, there was \$100,000 budgeted for negotiations and \$70,000 in financial consulting assistance. Additionally, SBWMA has realized over \$168,280 in staffing savings from staffing

gaps from the Recycling Programs Manager and SCS Engineers has been used to replace the capabilities of staff that had previously completed this work.

Attachments:

Resolution 2017-16

Exhibit A – SCS Engineers Proposed budget for the additional scope of work

SCS ENGINEERS

EXHIBIT A

March 14, 2017

Joe La Mariana
South Bayside Waste Management Authority
610 Elm Street, Suite 202
San Carlos, CA 95032

Re: Proposed Hours for Change Order

Mr. La Mariana,

It is estimated that the hours for the last half of March, April and May would include approximately 12 hours of meetings, finalizing the agency assessment, writing the final report, board packet submittal and the Member Agency Council Meeting power point presentation. The total hours to complete these tasks are listed below.

Estimated Additional Hours

Meetings

3/8/2017	2 hours	FAX Committee Negotiation Team
3/20/2017	3 hours	Meeting
3/28/2017	2 hours	FAX Committee
4/5/2017	2 hours	FAX Committee
4/13/2017	2 hours	FAX Committee
4/27/2016	2 hours	Board Meeting
Total	12 hours	\$2,400

Project Work

Redline Agreement	20 hours	
Agency Assessment	10 hours	
Recology Negotiations Report & PPT	50 hours	
Total	80 hours total	\$14,000

TOTAL ESTIMATED BUDGET \$18,400

Let me know if you have any questions.



Tracie Onstad Bills
SCS Engineers