



A Public Agency

CONSENT CALENDAR

DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

April 24, 2014 – 12:30 p.m.

RethinkWaste Board Room at the Shoreway Environmental Center

1. Call To Order: 12:38 PM

2. 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	

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

4. SBWMA Staff Presentation

Staff Feldman and Staff Devincenzi gave a presentation on commercial recycling overview, and the SBWMA's role.

TAC Member Rodericks asked if Member Agencies or the SBWMA are responsible for AB341 compliance.

Staff Feldman answered that both are responsible, though the SBWMA is not held responsible for regulatory compliance, the JPA is instrumental in getting the data.

TAC Member Scott asked about the fines for not complying with AB341.

Staff Feldman answered that there is a \$10,000 per day fine if an Agency is not making a good faith effort to educate the businesses.

Member Bronitsky asked if commercial entities have to use Recology.

Staff Feldman answered not for Recycling but for garbage yes.

Vice Chair Dehn asked if there were presentations to Chambers of Commerce to supplement the City Council presentations.

Staff Devincenzie answered that they have done a few chamber presentations, and that she could contact her about arranging a Menlo Park Chamber presentation.

TAC Member Walter asked who the nine dedicated commercial recycling people are.

Staff Feldman answered that they are Recology's Waste Zero Specialists, and that their positions are specific to Commercial Recycling Outreach in the Franchise Agreements.

Staff Devincenzi continued the presentation comparing the SBWMA service area to other service areas nearby.

Contra Costa:

Vice Chair Dehn asked if each jurisdiction in the Contra Costa JPA had a different exclusive franchised hauler.

Staff Devincenzi answered that businesses in the 6 member agencies of that JPA can choose service from 6 different recycle haulers, but only one franchised garbage hauler, and that the JPA in Contra Costa holds the franchise agreement.

TAC Member Walter asked how many of those businesses back haul.

Executive Director McCarthy answered that big box retailers back haul, and that it was not exclusive to San Mateo County.

San Francisco:

Vice Chair Dehn asked how San Francisco was framing the term junior staff.

Staff Feldman answered that it is basically a job training program.

TAC Member Walter asked if the SBWMA includes C&D numbers in diversion totals.

Staff Devincenzi answered that it is not included because it's open market in this area, and not all of the SBWMA Member Agencies have C&D ordinances.

Palo Alto:

Staff Devincenzi explained Palo Alto's programs and diversion totals.

Executive Director McCarthy added that Palo Alto has the gold standard of programs.

StopWaste Alameda County:

Staff Devincenzi noted that StopWaste's primary focus is public outreach and policy.

Member Aguirre noted the discrepancy in the diversion number totals.

Staff Devincenzi acknowledged the difference and said a corrected version would be emailed.

TAC Member Rodericks asked if commercial recycling was franchised in Alameda County.

Staff Devincenzi answered that it is open market.

Executive Director McCarthy noted that the key take away for Alameda County's programs is that it is a very different model.

Member Dehn asked how Stop Waste was funded.

Staff Devincenzi answered through the Measure D landfill surcharge, and other surcharges.

San Jose:

Member Olbert asked how a dry/wet system works.

Executive Director McCarthy explained that there was a \$35-40M upgrade to the facilities to implement the wet/dry system, not including the anaerobic digester, but there are hitches in the system. The facility operator is having trouble marketing some their materials due to China's "green fence" restrictions. There are tradeoffs, and it is a philosophical debate because cross mixing of materials leads to less value.

Staff Feldman then discussed key takeaways from the discussion on commercial recycling best practices.

Vice Chair Dehn asked if every other week collection was allowed by state law.

Staff Feldman answered that by state law putrescible waste has to be picked up every week, most of which is compostable. He noted that there are few outliers like diapers that would need to be addressed.

TAC Member Murray asked how costs would work if garbage was only picked up every other week.

Staff Feldman answered that there would be minimal savings.

Chair Widmer added that Atherton looked into this, and they were told it wasn't possible with the current model, so it's probably something that can't be changed until the current contract changes. He thought a study was needed to see what the savings might be, and when they could be implemented.

Executive Director McCarthy added that it probably doesn't make sense with the current rate model.

Member Aguirre commented that Redwood City got a lot of complaints when they went to weekly recycling, noting change is difficult.

Vice Chair Dehn noted that she was concerned the every other week trash would lead to increased contamination in the recycling.

5. **Recology Presentation**

Tammy DelBene Waste Zero Manger gave a Power Point Presentation on Recology's programs.

Member Aguirre asked what a Buddy Bag was.

Staff Devincenzi and Feldman had examples to show.

Tammy DelBene explained that they are the bags given to multifamily residents to have in their individual units to facilitate recycling. She also explained the desk side containers that businesses get when they sign up for service.

Member Benton asked why Recology couldn't provide the door to door service similar to the concierge companies.

Tammy DelBene answered that it is a very labor intensive service, and labor at union wages makes it cost prohibitive for Recology to do.

Member Dehn asked what is happening to the food scraps the concierge services are picking up.

Tammy DelBenne answered that they are being taken to a pig farm.

Member Dehn asked if the multifamily units using these services are using any Recology services.

Tammy DelBene answered that they have to use Recology for garbage, and most have recycling, but that the garbage size is going down due to the concierge service.

6. **Adjourn: 2:10PM**



DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS**

April 24, 2014 – 2:00 p.m.

RethinkWaste Board Room at the Shoreway Environmental Center

Call to Order: 2:25PM

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. 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 March 27, 2014 BOD Meeting Minutes
- B. Resolution Approving Contract Amendment with Zanker Road for Processing of Construction and Demolition Debris

Motion/Second: Bronitsky/Carlton

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. New Business:

A. Memorandum of Understanding with Silicon Valley Clean Water Regarding an Organic Waste Conversion Project

Staff Gans gave a PowerPoint presentation on converting organics to energy, noting that the waste industry has done a good job of getting material value for recyclables, and is now looking at getting energy value for organics.

Member Benton asked for an explanation of what a digester is.

Staff Gans explained that anaerobic digestion is a biological process that decomposes material without oxygen and has the byproduct of methane gas.

Member Carlton wondered if there would be more or less compost generated through the anaerobic digestion process.

Staff Gans noted that the food waste would be fairly clean after it's gone through a digestion process so it could still potentially need to be composted but it would still have a lot of nutrient value. He added that they haven't gotten that far in the process with Silicon Valley Clean Water yet.

Member Benton asked for clarification on which can the materials would come from for this project, and could the materials from the green cans be used for this project.

Staff Gans answered that this project would divert food waste in the commercial stream currently in the black carts. He added that organic material in the black carts is still the largest amount of material in the commercial waste stream representing 33% in the commercial sector. He noted that residential yard waste doesn't have digestion value.

Chair Widmer noted that the MOU implies non-exclusive and asked if other agencies are involved.

Staff Gans answered that the non-exclusive implies that other waste water treatment plants could be a fit for this project, but Silicon Valley Clean water was chosen because of their proximity to our facility and overlap in communities served.

Chair Widmer asked if the SBWMA was contributing to intellectual property on the project, or just looking at how economically feasible the project is.

Member Olbert added that he'd like to clarify status of intellectual property for a public agency.

Staff Gans answered that both JPA's would be looking to outside vendors to provide their intellectual property for this project.

Chair Widmer noted that he would like to know what the SBWMA is getting for \$50,000.

Executive Director McCarthy added that there is no intellectual property in terms of the SBWMA; our agency is the project developer. The relationship will be that of purchaser and equipment vendor, trying to put the pieces together that creates significant diversion for the member agencies in a cost effective way.

Counsel Lanzone added that the Chair raises a good point, and thinks some language should be changed in the MOU, and is not sure if a public agency could develop intellectual property. He recommends removing the first part of the paragraph regarding intellectual property, and noted that the SBWMA isn't likely to develop intellectual property because the JPA's role is to deliver waste to the plant where the anaerobic digester is.

Member Carlton would like to see a basic profit and loss statement on the project, on how much it would cost, and how much methane would come out of the project, and would it be usable.

Staff Gans noted that is the purpose of the next step in the process which is a preliminary feasibility study.

Vice Chair Dehn clarified that Silicon Valley Clean Water is already generating methane, so that is not new to them, the new part is creating that same process using solid waste as opposed to what is in the sewer pipes.

Executive Director McCarthy added that the critical part of this project is that Silicon Valley Clean Water has available digester capacity, so they are excited to do the modeling. If they can get significant energy from this it may not cost us much to dispose of food waste there, and we can divert more from Ox Mountain where we know costs are going to go up in the future.

Member Bronitsky asked why an MOU is needed now, since it's been going on for 5 years, and if it was possible to put an ordinance in place to require restaurants and supermarkets to compost.

Executive Director McCarthy answered that there has been pressure from all of you not to raise rates. Organics processing costs are higher than garbage costs, and requiring restaurants to compost is going to significantly raise rates for commercial businesses.

Member Carlton added that the League of Cities environmental committee voted to support AB 1826, which would require restaurants to compost. She asked that the bill be on the agenda at the next meeting.

TAC Member Phil Scott suggested the SBWMA look at using West Bay Sanitary District's old digester, to see if it would be a possibility concurrently with the Silicon Valley Clean Water project.

Executive Director McCarthy noted that the intent would be to consider that as an option even though it is not in the scope of this MOU. He added that the Board ultimately needs to give staff direction. He reiterated that there is tremendous pressure from the elected officials not to put programs in place that will drive up the rates. He added that every year when tipping fees are discussed the question of why it is so much more expensive for organics comes up. Staff is open to analyzing any projects, noting that the reason why this particular project is being analyzed is because it seems to offer a cheaper way to divert organic materials out of the waste stream. He also added that last year, at Recology's request, staff came to the Board with an option to franchise organics collection. He noted that it would require a 5-year

notice period and at that time there wasn't support from the Board to do that. He concluded that there are plenty of other options and as part of the long range plan this is the feedback staff wants to hear, but the reason staff has gone down this path is because of the belief that this is going to be the lowest cost option to get significant new diversion out of the waste stream.

Member Carlton suggested doing both at the same time.

Member Olbert clarified that this is an experiment that staff is suggesting, and that \$35,000 to \$50,000 would be spent to gather the data to see if something bigger is feasible.

Chair Widmer agreed with Member Olbert but would like to do two experiments simultaneously utilizing West Bay Sanitary District's space.

Member Bronitsky commented that he didn't understand why an MOU was needed, when there has already been work done with the agency. He also would like to see simultaneous experiments so that that when the numbers come back there is something to compare.

Staff Gans replied that Silicon Valley Clean Water have been working well together for the last 4 years, the MOU formalizes the relationship and makes a statement of intent towards something larger in the future.

Executive Director McCarthy added that in terms of the potential project with West Bay Sanitary District, that project can't be done within the \$35,000 to \$50,000 of the Silicon Valley Clean Water project. That project would involve putting together a whole facility, which would be a multi-year project, which would need to be cost out, and would be a separate project with a separate scope and separate budget.

Member Carlton commented that she thought a separate facility was not needed because the extra capacity already existed.

Executive Director McCarthy answered yes, that the reason we are working with Silicon Valley Clean Water is the digester capacity already exists, and the facility is already there.

Vice Chair Dehn noted that she didn't understand why the project was with Silicon Valley Clean Water and not West Bay Sanitary District when West Bay has digester capacity, and asked what assets Silicon Valley Clean Water has that West Bay doesn't, and if the MOU could be expanded to do this project with either agency.

Counsel Lanzzone noted that it would need to be two separate MOU's one with each agency.

Mark Olbert asked if there was anything via this MOU that commits the SBWMA to have to do the next phase with Silicon Valley Clean Water.

Staff Gans answered that Member Olbert's interpretation was correct, and that the purpose of this part of the project is to write the specifications of the product that SBWMA's materials would make. That product would then be a sellable commodity to anyone with a digester so they could make energy out of that product.

Executive Director McCarthy asked Staff Gans to explain the differences between where Silicon Valley Clean Water's facility and West Bay Sanitary District's Facility.

Staff Gans answered that Silicon Valley Clean Water has a complete operating digester with energy recovery system to burn the methane and air pollution control. Noting that there are multiple layers of componentry that are already in existence at Silicon Valley Clean Water that may need to be strengthened but not recreated. West Bay Sanitary District has basically land, there are digesters there that haven't been in operation for likely 30 years which are rusted, and would probably need to be bulldozed. He also noted that he didn't know about the entitlements for the land where the West Bay digesters currently are.

Executive Director McCarthy added that he and Staff Gans are not disagreeing with the notion of exploring other options, but would like it to be clear that the Silicon Valley Clean Water facility is completely ready to go and the West Bay facility would need engineering studies to see if it could be turned into something.

Vice Chair Dehn commented that she is fully behind the project, and the idea is phenomenal, she also believes the SBWMA could be selling one agency short. She added that she doesn't understand why the MOU other than the fact that Silicon Clean Water wants an MOU.

Member Bronitsky commented that the issue is that we need to see what we need to do to be able to digest food waste long term, and there is no need for an MOU to do that.

Chair Widmer added that he also supports the project, and it's a non-exclusive agreement, and we should try to work with our member agencies if possible.

Member Olbert requested a motion.

Member Ross asked if the company that we are working with on the MOU established some intellectual property as part of this project would we be giving up any rights to intellectual property if we sign the MOU.

Counsel Lanzone answered that the first part of the paragraph regarding intellectual property would be stricken from the MOU.

Member Olbert made a motion to adopt Resolution 2014-08 with the amendment that the first 4 lines of the paragraph on intellectual property are stricken from the MOU.

Member Carlton seconded the motion.

Roll Call Vote:

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			

C. Discussion on FY1415 Budget Priorities (includes status on FY1314 projects)

Executive Director McCarthy gave a PowerPoint presentation on high level FY1415 budget priorities. Pointing out the budget figures for the existing fiscal year are included but not for next the next budget year, that will happen at the May meeting.

Member Olbert asked if a member agency was out of compliance with AB939 would it affect other agencies in the JPA.

Executive Director McCarthy answered that it would only affect the one agency.

Member Aguirre now absent 3:37 PM

Member Olbert asked if the fees paid to the landfill are contractual set over a long period of time.

Executive Director McCarthy answered that all of our contracts have a CPI adjustment, and that the SBWMA pays 80% of annual CPI.

Executive Director McCarthy then discussed what was being contemplated for next year's projects which would include consultant support to dive into the operation contractors, writing the scope of work and hiring those contractors would happen in this next fiscal year, and then the following year the thorough research would begin.

Member Bronitsky asked if staff had the expertise to do the analysis, why the work would be done by contractors.

Executive Director McCarthy answered that staff has the expertise but not the hours available to do a full scale audit a lot of it would be field work and resources staff doesn't have in house.

Vice Chair Dehn questioned what would need to go out to bid in terms of the opportunity to change the contractor versus change the scope. She also asked at what point is the scope changed at the SBWMA level versus the member agencies.

Executive Director McCarthy answered that the staff goal in calendar year 2016 is to get the Board to a uniform consensus JPA wide on your franchise agreements. He added that then things can be added on a one off basis and JPA staff would help facilitate that, the JPA staff's role is technical advice but in the end it's 12 separate decisions.

Chair Widmer would like a discussion on things the agencies jointly like or don't like in the Franchise Agreements.

Executive Director McCarthy agreed yes, staff would hope to have all the member agencies going in the same direction, and for the Member Agencies to be best prepared to have the conversation with Recology.

Member Ross now absent 3:49 PM

Member Benton asked about the how the economics would be negotiated into a contract extension.

Executive Director McCarthy answered that there are many different scenarios. If the consensus was to continue with Recology, you may want to do a phased roll out to cover those costs over time, and staff would be able to give advice, but the goal would be to get some kind of consensus to go down the same path.

Executive Director McCarthy spoke of the public spaces recycling project.

Member Bronitsky asked why we have to pay a contractor to do that work, why can't staff get on the phone with the parks and rec departments and ask them.

Staff Feldman answered that it is only part of the scope of the project to survey the parks and rec departments.

Executive Director McCarthy added that it isn't just parks but all public spaces, including downtown areas.

Vice Chair Dehn asked if the public spaces survey was different than the telephone survey that is going out to households right now, wondering if a separate contractor was being paid to go out a survey the public spaces.

Executive Director McCarthy answered yes, it is two separate surveys.

Staff Feldman added that the survey of the Member Agency staff is part of a larger consultant contract to do a public spaces feasibility survey. He noted that the survey is starting with the TAC member for each jurisdiction.

Executive Director McCarthy spoke about the biggest project proposed in next year's budget, the long range plan.

Member Benton asked if open market lends towards lower diversion, and if yes, if in the long range plan the open market model would be reconsidered.

Executive Director McCarthy answered that there is a policy analysis part of this plan that would look at different options. At this point staff is not assuming that without more prescribed services we can't achieve higher diversion levels.

Member Carlton now absent 4:00.

Chair Widmer noted that there was no longer a quorum, and the meeting is adjourned, but the discussion can continue.

Member Olbert commented that he didn't understand why some projects had to be JPA wide.

Executive Director McCarthy noted that this is an issue that has come up on several occasions and that it is a challenge for him as the Executive Director, but generally if the board majority decides if a majority of the JPA agencies would get value from a project, then staff proceeds with the project. Then staff will

come back and present the findings, and at that point each agency has to decide if it works for them.

Member Olbert followed up by saying the early stage data gathering is done with majority thinking.

Executive Director McCarthy said that is correct.

Executive Director McCarthy then talked about projects related to Shoreway.

Member Olbert asked about the possibility generating fuel for the garbage trucks via solid waste.

Staff Gans answered that staff would like to look at it, but involves the contractor's contract, because that type of gas can't be used in the types of engines in the current fleet, so there has to be a co-timing with the contract renewal.

Member Bronitsky thought it would be better to consolidate the discussion of priorities with numbers, as the board is supposed to be setting priorities and without numbers it's hard to know what to prioritize.

Chair Widmer agreed with Member Bronitsky, noting that when you're discussing budget priorities it's better to have numbers.

Member Olbert commented that this phase of the budgetary process was an opportunity to flush out some of the projects staff has planned for next year, and in that context he appreciated the extra time even before the numbers to say there were ideas the Board liked or didn't like, or for a Board member to have the opportunity to ask staff to look into a certain project for next year.

Chair Widmer noted that the big items the Executive Committee had discussed with Executive Director McCarthy are the forward looking conference in the fall and the strategic plan that is part of his goals.

Executive Director McCarthy added that what the Board will see in May is the same document with the blanks filled in, and at least Board members will be more familiar with what the line items are.

5. Staff Updates:

- a) Update on Labor Issues
- b) Potential Future Board Agenda Items
- c) Check Register for March 2014
- d) Update on 2014/15 Franchise Rate Setting Process
- e) Recycling and Outreach Programs Update
- f) Shoreway Facility Operations and Maintenance Update
- g) Results of 2014 1st/2nd Quarter Recology Franchise Agreement Contamination Measurements for Loads of Recyclable Materials, Organic Materials, and Plant Materials
- h) Receipt of Recology and SBR Monthly Reports

6. Board Member Comments

7. Adjourn 4:00 PM discussion continued until 4:15 PM



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: May 22, 2014 Board of Director's Meeting
Subject: Approval of Quarterly Investment Report for the Quarter Ended March 31, 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 March 31, 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 March 31, 2014, funds in the amount of \$19,097,882 were invested producing a weighted average yield of 0.25%.

Below is a summary of the changes in the portfolio.

	Qtr Ended 3/31/14	Qtr Ended 12/31/13	Increase (Decrease)
Total Portfolio	\$ 19,097,882	\$ 19,551,763	\$ (453,881)
Weighted Average Yield	0.25%	0.26%	-0.01%
Interest Earnings	\$ 10,200	\$ 15,974	\$ (5,774)
Lehman Recovery Payment	\$ 12,894	\$ -	\$ 12,894

The overall portfolio balance decreased by \$453,881. The decrease is primarily due to a \$1.5 million in interest payment that is offset by the monthly transfers made in this quarter as required by the bond covenant. Lower average daily balance in LAIF's account this quarter than the last quarter and lower interest yield contributed to the lower interest earnings.

In this quarter, the County Treasurer's Office has made two distributions totaling \$12,894 that are associated with the Lehman Officers and Directors settlement.

A table comparison of the portfolio components is provided below:

	3/31/2014 Balance	% of Total	12/31/2013 Balance	% of Total	Change over prior qtr
SM County Pool	\$ 2,286,013	12%	\$ 2,269,668	12%	\$ 16,345
LAIF	11,584,976	61%	11,628,111	59%	(43,135)
Bond Account	5,226,893	27%	5,653,984	29%	(427,091)
Total Portfolio	\$ 19,097,882	100%	\$ 19,551,763	100%	\$ (453,881)

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 0.30%. The Local Agency Investment Fund (LAIF) is used as a benchmark and the average LAIF yield for the quarter ending March 31, 2014, was 0.23%. The San Mateo County Pool average yield for the quarter was 0.64%.

Due to arbitrage restrictions, bond investments are not included in our LAIF rate comparison. As of March 31, 2014, the bond reserve and payment accounts of approximately \$5.2 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

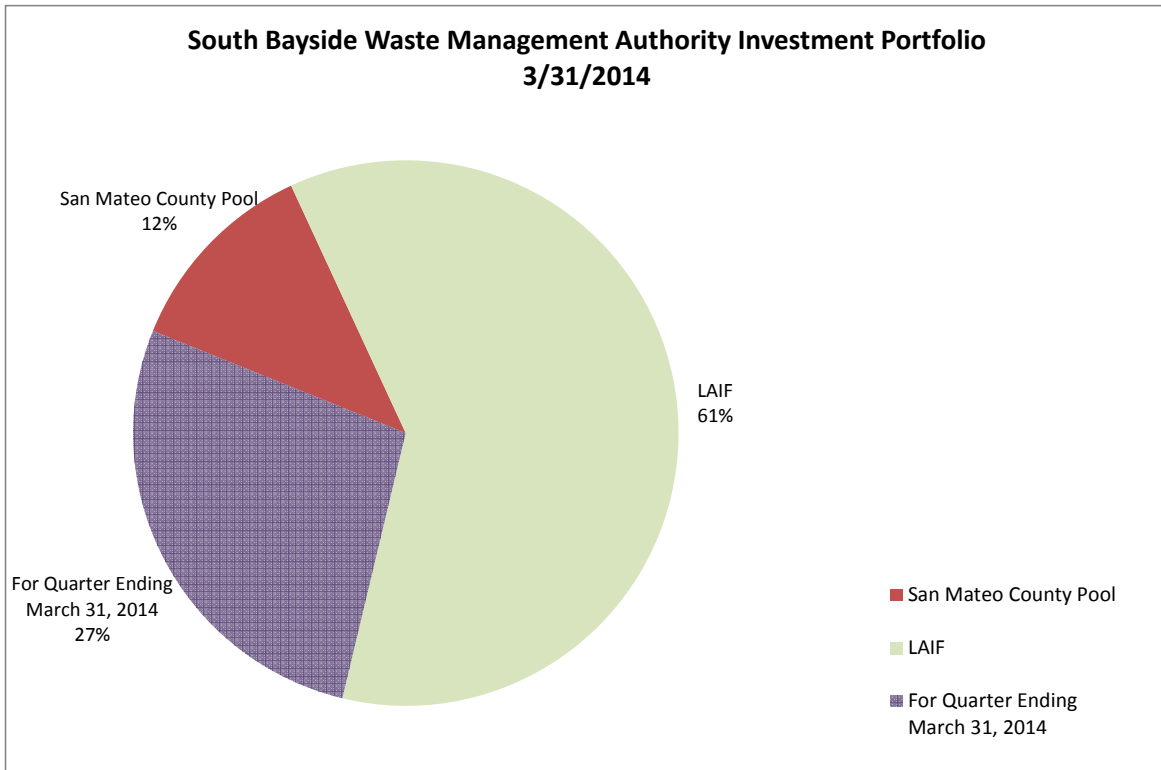
- A – Summary of All Investments for Quarter Ending March 31, 2014
- B – Investment Portfolio 3/31/2014 - Chart
- C – Historical Summary of Investment Portfolio

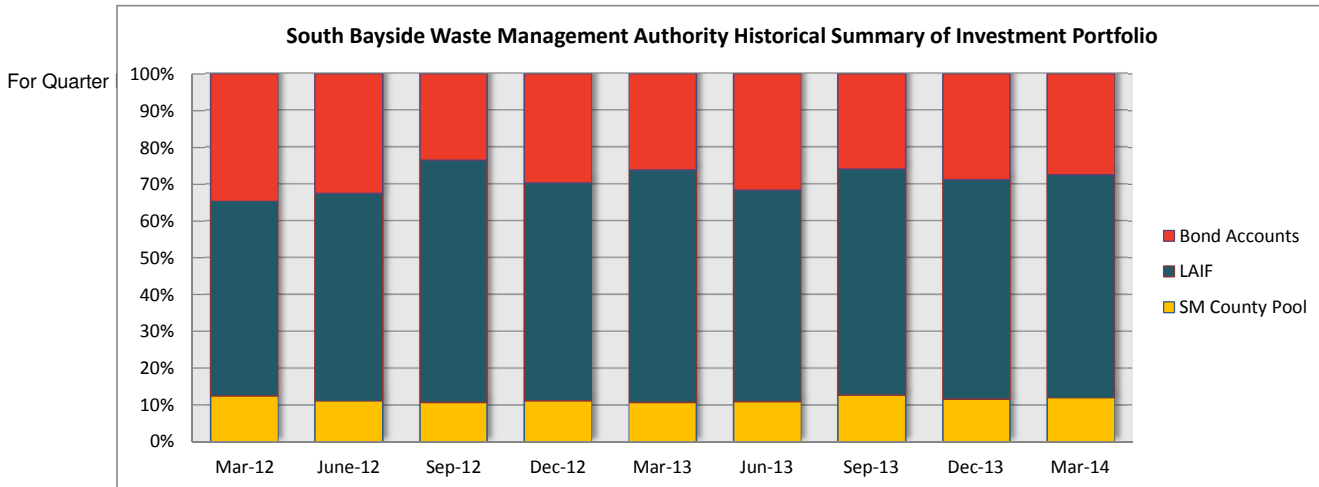
SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

SUMMARY OF ALL INVESTMENTS

For Quarter Ending March 31, 2014

Category	Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value	Interest Earned
Liquid Investments:				
San Mateo County Investment Pool (COPOOL)	0.64%	2,286,013	2,286,013	3,591
Local Agency Investment Fund (LAIF)	0.23%	11,584,976	11,588,650	6,609
Total - Investments	0.30%	13,870,989	13,874,663	10,200
Bond Accounts - Cash with Fiscal Agents				
BNY Western Trust - Certificates of Deposit 2009A Reserve Fund Account	0.38%	1,488,000	1,488,000	-
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account	0.00%	2,760,626	2,760,626	-
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account	0.00%	978,267	978,267	-
Total - Bond Accounts	0.000%	5,226,893	5,226,893	-
GRAND TOTAL OF PORTFOLIO	0.25%	19,097,882	19,101,556	10,200
Total Interest Earned This Quarter			10,200	
Total Interest Earned Fiscal Year-to-Date			37,679	





South Bayside Waste Management Authority Portfolio

	Mar-12	June-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14
SM County Pool	2,088,589	2,116,407	2,121,172	2,139,883	2,144,381	2,167,040	2,265,903	2,269,668	2,286,013
LAIF	8,722,866	10,730,281	12,938,094	11,197,175	12,505,898	11,313,693	10,921,027	11,628,111	11,584,976
Bond Accounts	5,733,099	6,193,483	4,615,267	5,645,978	5,190,986	6,223,842	4,619,074	5,653,984	5,226,893
Grand Total	\$ 16,544,554	\$ 19,040,171	\$ 19,674,533	\$ 18,983,036	\$ 19,841,265	\$ 19,704,575	\$ 17,806,004	\$ 19,551,763	\$ 19,097,882



STAFF REPORT

To: SBWMA Board Members
From: Monica Devincenzi, Recycling Outreach and Sustainability Manager
Date: May 22, 2014 Board of Directors Meeting
Subject: Approval of Letters of Support for Assembly Bills 1826 and AB 1594

Recommendation

It is recommended that the SBWMA Board of Directors review and approve the Letters of Support for Assembly Bills (AB) 1826 (**Attachment A**) and 1594 (**Attachment B**), authorizing the Executive Director to sign and submit them on the JPA's behalf.

Analysis

There are currently two bills making their way through the California State Assembly that staff strongly believes lead the future of organics (yard trimmings and food scraps) collection and processing in a much needed direction. The first is AB 1826 (Chesbro) which will require businesses generating eight or more cubic yards of organic waste to recycle (compost) their organic waste starting in 2016. AB 1826 has a phased-in approach which would then make it a requirement for those generating four cubic yards during 2017 and 2018 and ultimately down to those generating one cubic yard or more on and after January 1, 2019.

As stated in previous staff reports, RethinkWaste has conducted studies to ascertain the composition of materials discarded from the commercial sector in recent years to determine the potential for achieving additional diversion. Based on the most recent commercial disposal composition study conducted for RethinkWaste in 2012, the largest single component of commercial disposal is food waste at 32%. When wet and dry mixed paper is included, the readily compostable percentage of disposal totals 48.5%. Diverting this material, which comprises close to half of our commercial discards, is especially significant since it is organic or compostable discards of this type that result in the most methane generation when landfilled and methane is 22 times more potent of a greenhouse gas than carbon dioxide.

AB 1826 would also complement the existing mandatory commercial recycling component of AB 341 that requires all businesses generating four or more cubic yards of solid waste and multi-family dwellings with five or more units to recycle.

The bill has been supported by many local and state environmental organizations (e.g., California Resource Recovery Association, California League of Conservation Voters, Sierra Club California and Californians Against Waste, the bill sponsor), compost associations and processors (e.g., Association of Compost Producers, Biodegradable Products Institute and Sonoma Compost) collection services providers (e.g., Recology and Green Waste Recovery), and other public agencies similar to RethinkWaste (e.g., StopWaste.org, City and County of San Francisco, and Solid Waste Association of Orange County) among others.

AB 1826 passed the Assembly Natural Resources Committee on April 28, 2014 and the Assembly Appropriations Committee on May 7, 2014. It is expected to be taken up by the full Assembly later this month. If passed by the Assembly, it will then be referred to the Senate Environmental Quality Committee.

The second bill, AB 1594 (Williams), would amend the existing California Integrated Waste Management Act of 1989 (Section 41781.3 of the Public Resources Code) to eliminate the exemption allowing local government to count green waste used as alternative daily cover (ADC) as "diversion" beginning January 1, 2020.

Since 2002, RethinkWaste has had in place a contract requirement that prevents the use of plant materials/green waste as ADC by the facilities that receive our material to ensure its highest and best use through composting. Staff believes the current practice of allowing green waste used as ADC weakens the integrity of California's recycling goals by misleadingly treating landfill disposal as "recycling," undermines efforts to promote beneficial uses of organic waste, and contributes in a significant way to global warming by producing powerful methane emissions that cannot be completely captured even in state-of-the-art landfills.

Landfilling compostable materials is also counterproductive to the State's goal of cutting greenhouse gas emissions and recycle 75% of its waste by 2020. The landfilling of organic waste generates significant greenhouse gas emissions, water and air quality impacts, as well as long-term financial liabilities. Just as important is the expectation by residents and business that take the effort to separate yard trimmings for recycling, that the material is being composted and are certainly unaware that that material might ultimately be landfilled as ADC.

The supporters of AB 1594 include those listed earlier for AB 1826, among others. AB 1594 also passed the Assembly Natural Resources Committee on April 28, 2014 and has been sent to the Assembly Appropriations Committee.

Background

At the April 24, 2014 Board of Directors Meeting, Board Member Catherine Carlton (Menlo Park) requested that AB 1826 be placed on the May agenda for discussion by the Board. She is a member of the League of California Cities Environmental Quality Policy Committee, which voted to support AB 1826 "in concept" at its April 3, 2014 meeting.

Upon further review of AB 1826 and consideration of AB 1594, staff believes that both bills support practices currently in place throughout the service area and would provide greater diversion opportunities if they were enacted statewide.

Fiscal Impact

There is no fiscal impact to the SBWMA or Member Agencies associated with this staff report.

Attachments:

Attachment A – AB 1826 Letter of Support

Attachment B – AB 1594 Letter of Support



May 22, 2014

The Honorable Wesley Chesbro
Chair, Assembly Natural Resources Committee
1020 N Street, Room 164
Sacramento, CA 95814

RE: AB 1826 (Chesbro) Organic Waste – Support

Dear Assemblymember Chesbro:

The South Bayside Waste Management Authority (RethinkWaste/SBWMA), a joint powers authority with 12 public Member Agencies in San Mateo County, strongly supports Assembly Bill (AB) 1826 (Chesbro), which will require businesses generating eight, four and one or more cubic yards of organic waste to recycle (compost) their organic waste starting in 2016, 2017 and 2019, respectively.

While RethinkWaste offers composting collection services to businesses and multi-family complexes that generate yard trimmings and food scraps in our service area, much of the material continues to be landfilled locally and throughout the State.

RethinkWaste has conducted studies to ascertain the composition of materials discarded from the commercial sector in recent years to determine the potential for achieving additional diversion from landfill disposal. Based on the most recent commercial disposal composition study conducted for RethinkWaste in 2012, the largest single component of commercial disposal is food waste at 32%. When wet and dry mixed paper is included, the readily compostable percentage of disposal totals 48.5%. Diverting this material, which comprises close to half of our commercial discards, is especially significant since it is organic or compostable discards of this type that result in the most methane generation when landfilled and methane is 22 times more potent of a greenhouse gas than carbon dioxide.

Tackling this waste stream is also an integral part of achieving the goals prescribed in AB 341 and AB 32. According to CalRecycle: “the 75% goal cannot be reached unless a significant amount of organics now being landfilled is instead used in new composting/ AD facilities.”

We strongly believe that AB 1826 is the right solution to address this important issue as it implements a measured phase-in of commercial organics recycling programs in order to ensure that the private sector can effectively respond by building the infrastructure to handle the increase in material collected for composting.

610 Elm Street, Suite 202 | P: 650-802-3500 |
San Carlos, CA 94070 | F: 650-802-3501 | RethinkWaste.org

MEMBER AGENCIES: Town of Atherton • City of Belmont • City of Burlingame • City of East Palo Alto • City of Foster City • Town of Hillsborough
City of Menlo Park • City of Redwood City • City of San Carlos • City of San Mateo • County of San Mateo • West Bay Sanitary District

Printed on recycled paper

If you have any questions about our position, please contact Cliff Feldman, Recycling Programs Manager, at (650) 802-3502.

Sincerely,

Kevin McCarthy
Executive Director

cc: Assembly Natural Resources Committee Members:

Brian Dahle (Vice Chair)

Frank Bigelow

Cristina Garcia

Al Muratsuchi

Jim Patterson

Nancy Skinner

Mark Stone

Das Williams

Kevin Mullin

Richard Gordon

Jerry Hill



May 22, 2014

The Honorable Mike Gatto
Chair, Assembly Appropriations Committee
1020 N Street, Room 2114
Sacramento, CA 95814

RE: AB 1594 (Williams) Green Waste – Support

Dear Assemblymember Gatto:

The South Bayside Waste Management Authority (RethinkWaste/SBWMA), a joint powers authority with 12 public Member Agencies in San Mateo County, strongly supports Assembly Bill (AB) 1594 (Williams), which would amend the existing California Integrated Waste Management Act of 1989 (Section 41781.3 of the Public Resources Code) to eliminate the exemption in the law that allows local government to count green waste used as alternative daily cover (ADC) as “diversion” beginning January 1, 2020.

Since 2002, RethinkWaste has had in place a contract requirement that prevents the use of plant materials/green waste as ADC by the facilities that receive our material to ensure its highest and best use through composting. RethinkWaste believes the current practice of allowing green waste used as ADC weakens the integrity of California’s recycling goals by misleadingly treating landfill disposal as “recycling,” undermines efforts to promote beneficial uses of organic waste, and contributes in a significant way to global warming by producing powerful methane emissions that cannot be completely captured even in the most state-of-the-art landfills.

When residents take the effort to separate their yard trimmings into a separate container, they expect that material to be composted, but they are likely unaware that that material might be sent to the same landfill as their garbage.

Landfilling compostable materials is also counterproductive to the State’s goal of cutting greenhouse gas emissions and recycle 75% of its waste by 2020. The landfilling of organic waste generates significant greenhouse gas emission, water and air quality impacts, as well as long-term financial liabilities.

California is one of the only states to allow the use of green waste as landfill cover and the only state to count cover material as diverted – nearly half the states in the country have banned the landfilling of this material all together.

610 Elm Street, Suite 202 | P: 650-802-3500 |
San Carlos, CA 94070 | F: 650-802-3501 | RethinkWaste.org

MEMBER AGENCIES: Town of Atherton • City of Belmont • City of Burlingame • City of East Palo Alto • City of Foster City • Town of Hillsborough
City of Menlo Park • City of Redwood City • City of San Carlos • City of San Mateo • County of San Mateo • West Bay Sanitary District

Printed on recycled paper

We strongly believe that AB 1549 is the right solution to address the loophole that currently exists in the law.

If you have any questions about our position, please contact Cliff Feldman, Recycling Programs Manager, at (650) 802-3502.

Sincerely,

Kevin McCarthy
Executive Director

cc: Assembly Appropriations Committee Members:

Frank Bigelow (Vice Chair)
Raul Bocanegra
Steven Bradford
Ian C. Caldron
Nora Campos
Tim Donnelly
Susan Talamantes Eggman
Jimmy Gomez
Chris R. Holden
Brian W. Jones
Eric Linder
Richard Pan
Bill Quirk
Sebastian Ridley-Thomas
Donald P. Wagner
Shirley N. Weber

Kevin Mullin
Richard Gordon
Jerry Hill