



CONSENT CALENDAR

DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
July 28, 2011 – 2:00 p.m.
Shoreway Environmental Center**

1. Roll Call: CTO 1:13 p.m.

In attendance: Atherton, Foster City, Hillsborough, Menlo Park, San Carlos, San Mateo, County of San Mateo and West Bay Sanitary District

2. Adjourn to Closed Session - pursuant to Government Code Section 54954.5: Public Employee Performance Evaluation: Executive Director.

3. Report from Closed Session

Executive Director to be offered a 2% one-time bonus.

The Executive Committee will meet with the Executive Director to discuss some contract modifications.

THE REGULAR PORTION OF THE MEETING CTO at 2:12 p.m.

Redwood City and Burlingame now present

4. 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

5. 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 June 23, 2011 BOD Meeting Minutes
- B. Receipt of Recology and SBR Monthly Reports
- C. Resolution Approving Amendment Number 2 to the Agreement Between SBWMA and WM Curbside LLC for Household Hazardous Waste (HHW), Universal Waste (U-Waste), Electronic Scrap (E-Scrap), and Sharps Door-to-Door Collection, Recycling and Disposal Service to Discontinue Collection of Medicine Through the Door-to-Door Collection Service
- D. Resolution Approving Power Purchase Agreement with Fresh Air Energy – II, LLC
- E. Resolution Approving a Contract with SloanVazquez LLC to Conduct the Recology Quarterly Contamination Monitoring for FY 2012
- F. Resolution Approving a Contract with HF&H Consulting LLC for Collection Services and Facility Operations Contractor Data, Records, Systems and Reports Auditing

M/S Nava/Porter approval of consent calendar items 5A through 5F

Roll Call Vote:

Motion Passes 10 – 0 – 0 – 2 (Belmont and East Palo Alto Absent)

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

6. New Business:

A. Board Election of Vice-Chair

Chair Moura announced that Vice Chair Steffens is leaving Menlo Park to take a position in Sunnyvale. He noted that he had spoken to former Chair Porter about taking on the position of Vice Chair for the remainder of the year.

Member Nava, stated that he would like to nominate Member Porter as the Vice Chair for the remainder of the year.

Chair Moura announced that member Porter is appointed as Vice Chair by acclamation.

B. Review of Cart Migration Data for Member Agencies

Staff Moran introduced the cart migration data, and gave further detail regarding the documents in the Board packet, as well as an additional handout. He explained that overall the SBWMA agencies are about 6.2% lower in total revenue projections. Staff thinks it is in large part due to can migration.

Member Nava asked for clarification. One of the columns on the spread sheet indicated, what the agencies were told last year was the revenue requirement. If an agency adopted a rate higher than the revenue requirement, he asked why would there still be a shortfall.

Staff Moran noted that the first column on the spread sheet was actual numbers, and the second column was projected numbers, but why Burlingame's numbers are so off, he couldn't answer without further detailed analysis.

Staff Feldman added that last year we provided information on revenue for a snapshot in time. Noting that it's not possible to do that now because customers can change can sizes at any time. He added that this exercise was to let agencies know that there is going to be a revenue shortfall from can migration, and it is one of the factors adding to the deficit. There are other factors as well, but trying to isolate what's causing it is very difficult because customer projections are a moving target.

Member Nava asked for additional analysis on how to calculate the Allied Balance Account.

Executive Director McCarthy stated that staff wanted to get agencies these numbers as early as possible so they can be tackled in 2012 rather than down the road.

Member Masbad asked for clarification on when the numbers in column C on the hand out report would flow into a rate requirement.

Executive Director McCarthy stated the revenue reconciliation happens in the first quarter of the following year, so the reconciliation for 2012 won't be able to be captured until your 2013 rates are set.

Member Nava asked if the costs for Recology projected in 2011 have gone up.

Staff Moran answered that Recology's costs are fixed but disposal varies.

Member Galli asked for clarification on whether commercial rates were subsidizing residential rates.

Staff Moran answered that the residential costs are an estimate only.

Staff Feldman added that it is information about what the costs are versus what is being charged by each agency.

Executive Director McCarthy added that the progressive rate structure has exacerbated the shortfall in the most popular cart size categories (i.e., 20 and 32 gallons). We are not likely to see a large amount of cart migration going forward, but as rates go up you may see more people changing cart sizes, moving to a smaller size.

Member Murray noted that the cost per can includes compost which is more expensive to process.

Staff Moran answered that all residential services are built into this cost per can data.

Executive Director McCarthy added that the percentage of the organic portion is higher because it is more expensive to process that portion, but that there are policy goals tied into the rate setting process.

Member Nava commented that the cost of operations is much higher than we thought and that this is worse news than any of us expected.

Staff Feldman noted that our agencies rates are still very favorable in the bay area.

Executive Director McCarthy encouraged Board Members not to over react to the table presented, the purpose is to start a dialogue in the rate setting process, and that consideration should be given to setting rates going forward to cover base costs for the lower cart sizes..

C. Review of Allied Waste 2010 Closeout Rate Applications for Collection and Shoreway Operations

Rick Simonson gave an early look at finalizing the Allied balancing account, noting where we are in the process, what's left and what's disputed in the reconciliation of 2010's numbers.

On the facility side there are four items still being negotiated over the next 4 to 5 weeks; the prepaid vehicle license fees, the safety incentive program, corporate overhead expense, and bridge repair.

Member Nava asked if the bridge repair was covered under insurance.

Mr. Simonson answered yes, it is covered through their self insurance, but these items are over and above.

Mr. Simonson noted the disputed items on the collection side are schools, and greater than estimated expenses. He also noted that there is still a worker's compensation issue, and bad debt to be reconciled.

Member Masbad asked about the worker's compensation noting that additional costs should be paid by insurance premium. She asked if the agency is to be responsible for the difference between what insurance pays.

Mr. Simonson said yes, that we've asked for additional information on how much, and how many this could be.

Member Nava asked if Allied or the SBWMA was responsible for the bad debt.

Mr. Simonson answered that it is an expense that is written off in the balancing account.

Member Masbad asked for clarification about the logistics of paying Allied.

Executive Director McCarthy stated that payment is the responsibility of each agency, adding that if an agency has built paying off the balancing account into rates, the each agency will need to have Recology remit it back to them.

D. Discussion on Issues Potentially Affecting 2012 Compensation for Recology San Mateo County and South Bay Recycling

Staff Moran pointed out that there are two issues affecting 2012 rate application compensation for Recology: The cost for servicing the non franchised public schools was included in the Recology cost proposal, and the schools are

not being serviced because they are not part of the franchise. Therefore, staff recommends that this cost be deducted.

The second is the payment for teamsters benefit trust. Allied paid the January bill due to their obligations to the union, even though they were no longer the service provider. Additionally 12 benefit trust payments were built into the new service providers costs. Staff recommended that Recology and SBR reimburse Allied for the January payment. SBR did pay Allied, but Recology declined, and now that amount is on the Allied balancing account. A second option is to deduct this amount from the Recology 2012 revenue reconciliation.

On the SBR side there is a mechanics true up item, which is a very minor item.

Member Masbad offered the suggestion to Recology to pay the benefit trust as a prepaid expense not an operating expense.

Member Steffens asked if it was an obligation Allied had or a mistake Allied made.

Staff Moran answered that it was an obligation of Allied to the union, it is not an obligation of the SBWMA.

Executive Director McCarthy added that the union and Allied thought it was an obligation so they paid it, and if it had not been paid there would have been a work stoppage.

E. Discussion on Recology Request for a Waiver from 1st Quarter 2011 Incentive and Disincentive Payments

Staff Feldman broke down the staff report, noting that the first section was staff's opinion and the second was a legal opinion from Ray McDevitt. Staff can agree with some of the requests, but disagree with others. Recology's request included a waiver of the contamination incentive/disincentive payments, and staff Feldman noted that contamination would be addressed by staff separately, and is not included in this analysis.

Staff Recommendations on Recology's requests:

- Premature to consider the waiver at this time. The waiver is only being requested for the first quarter, and we will have 4 quarters of data to look at over the course of the year, which will then be aggregated and applied through revenue reconciliation.
- We've contracted with HF&H to audit Recology's systems, the information we've received from Recology is unaudited.
- The cost average for each individual agency is insignificant for the first quarter, but may turn around by the end of the year.

Staff Feldman added that there is some merit to Recology's request, and staff does agree to waive the incentive disincentive payment for January but not for the whole quarter, without additional data.

7. Old Business:

A. RSMC Franchise Agreement Operational and Contract Administration Update

Mario Puccinelli updated the Board on Recology's operations. He introduced Tim Hester as the new Assistant General Manager, and announced that Gino Gasparini would be transitioning back into his role as the Manager of Public Affairs. He also introduced two Waste Zero Specialists.

B. SBR Shoreway Operations Agreement Update

David Langer gave an update on SBR's operations and explained that SBR is focused on expanding diversion opportunities, and that a strong market is carrying them forward. He also handed out a tonnage report for each member agency.

8. Staff Updates

- a) Results of 2011 Second Quarter Recology Franchise Agreement(s) Quarterly Contamination Measurement for Loads of Recyclable Materials, Organic Materials and Plant Materials
- b) Update on Recology Commercial Recycling Outreach Efforts
- c) Recycling and Outreach Programs Update
- d) Shoreway Construction Update

e) 2012 Rate Application Update

Executive Director McCarthy noted that the rate application schedule is laid out in the staff update and encouraged Board Members to look at it to figure out how to work out each individual agency's 45 day schedule.

f) Preview of Upcoming Board meetings

Executive Director McCarthy noted the Grand Opening of Shoreway event on Tuesday, September 27th, and a scheduling of an October board workshop to work collaboratively on commercial recycling.

9. Board Member Comments

Member Nava added that he appreciated the information on actual costs, but added that he is feeling dismayed, because he worked hard to get a good handle on what the actual costs would be. He added that understanding that our budget is in good shape; he asked the board to consider using those surplus funds to reduce the impact to the rate payers.

Chair Moura noted that the Executive Committee would consider Member Nava's request.

. **Adjourn 3:44 p.m. Next Regular meeting scheduled for September 22, 2011, San Carlos Library at 2 pm**



STAFF REPORT

To: SBWMA Board Members
From: Robert J. Lanzone, SBWMA Legal Counsel
Date: September 22, 2011 Board of Director's Meeting
Re: Resolution Approving Second Amendment to the Executive Director's Employment Agreement

Recommendation:

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011-19 attached hereto authorizing the following action:

Approval of Second Amendment to the Executive Director's Employment Agreement (the Agreement).

Background:

On August 10, 2006 the SBWMA entered into an agreement with Regional Government Services (RGS), a joint powers authority, for the services of Kevin McCarthy as Executive Director. That agreement was amended once in May 2007 to increase Mr. McCarthy's salary from \$158,000 per year to \$174,000 per year. As of October 1, 2008, as a result of converting employees from RGS/ LGS contract employees to being directly employed by SBWMA, the Executive Director had an employment agreement approved by the Board, with his salary remaining at the same level.

Attached as Exhibit A is a copy of the Executive Director Agreement dated October 1, 2008 (the Agreement) and the July 2009 First Amendment to that Agreement.

Attached hereto is a Second Amendment to the Agreement which reflects the Board's direction from its July 28, 2011 closed session. The following changes are to be made and are reflected in the Resolution attached to this report:

1. Section 2, "Term" is modified changing the number of days the Executive Director needs to give to terminate the Agreement from 60 days to 30 days
2. Section 2 "Term" is modified to require a majority of the total number of Directors for any vote to terminate the Executive Director's employment. This is as opposed to the way the Agreement currently reads which would only require a 2/3 vote of a quorum of the Board to take that action.

3. Exhibit A to the Agreement is modified to add #14 clarifying the intent with respect to benefits:
"Benefits: The Executive Director shall receive, in addition to those specifically mentioned in this Exhibit A, any additional benefits for SBWMA employees as called for in the Employee Manual.

There are no other changes to the Executive Director's Agreement. The Board did vote to give the Executive Director a bonus of two (2%) of salary at the July 28th Board meeting and announced that bonus at that time. An amendment to the Agreement is not necessary for that bonus.

Attachments:

Resolution No. 2011-19

Exhibit A – Executive Director Agreement



RESOLUTION NO. 2011-19

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY APPROVING THE SECOND AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE EXECUTIVE DIRECTOR

WHEREAS, the South Bayside Waste Management Authority (Authority) has determined to amend the Employment Agreement of the Executive Director (the Agreement);

NOW, THEREFORE, BE IT RESOLVED that the Employment Agreement, Exhibit A hereto, is modified as follows:

1. Section 2 "Term" is amended to change the number of days the Executive Director must give as notice to terminate employment from sixty (60) days to thirty (30) days.
2. Section 2 "Term" is amended to make it a requirement that any vote of the Board of Directors to terminate the Executive Directors employment be of a majority of the entire Board of Directors.
3. Exhibit A to the Employment Agreement setting forth Executive Director Salary and Benefits is amended to add Section 14: "The Executive Director shall receive in addition to the benefits set forth above any other benefits provided to the SBWMA employees as set forth in the SBWMA employee manual.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on this 22nd day of September, 2011, 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. 2011-19 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on September 22, 2011.

ATTEST:

Brian Moura, Chairperson of SBWMA

Cyndi Urman, Board Secretary

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (Agreement) made this 1st day of October, 2008, by and between SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY (SBWMA), a California Joint Powers Authority and Kevin McCarthy (the Employee).

RECITALS

The SBWMA is a public Joint Powers Authority organized under the laws of the State of California.

The SBWMA wishes to enter into an at-will employment relationship with the Employee subject to certain terms and conditions hereinafter set forth and the Employee has indicated agreement to such employment.

Employee has been serving as the Executive Director of SBWMA since September 5, 2006 pursuant to a contract by SBWMA with Regional Government Services (RGS), a California JPA, under terms and conditions similar to those contained in this Agreement. Effective October 1, 2008, SBWMA has taken over direct employment of the Employee, and this Agreement is effectively a continuation of employment of the Employee as Executive Director of SBWMA.

NOW, THEREFORE, in consideration of the mutual promises and covenants as hereinafter set forth, the parties hereto agree as follows:

Section 1. Employment. The SBWMA hereby employs the Employee and the Employee hereby accepts employment with the SBWMA on the terms and conditions set forth in this Agreement and **Exhibit A** to this Agreement. It is agreed and understood that Employee's employment is at-will.

Section 2. Term. Subject to the provisions for termination as hereinafter provided, the Employee shall be employed by the SBWMA at the pleasure of the Board of Directors (the Board) of SBWMA. Employee's employment is at will and is subject to termination at any time in the sole discretion of the SBWMA Board with written notice either (i) with cause to be effective immediately and with no appeal rights or (ii) without cause with ten days' notice and subject to the severance provisions contained in Exhibit A hereto. Employee understands and acknowledges that Employee's engagement under this Agreement is in an "at-will" capacity. Employee has those rights under any personnel rules which SBWMA may adopt which are applicable to "at-will" employees, including rules regarding those statutory rights which are applicable to all employees. Employee may terminate this Agreement and Employee's relationship with SBWMA at any time, with or without cause, upon sixty (60) calendar days' written notice. Unexcused absence will be considered Employee termination effective immediately. Except as expressly indicated in this section, Employee's "at-will" relationship with SBWMA cannot be altered by practice, or by oral or written statement. Nothing in this Agreement shall be construed as requiring cause for termination or conferring property rights on Employee. This Agreement supersedes all prior agreements and practices related to Employee's work on behalf of the SBWMA. The only way in which Employee's

at-will relationship with SBWMA may be altered is by a written instrument signed by Employee and the SBWMA Board, which instrument specifically refers to this agreement and this section. Termination for cause shall be defined as one or more of the following: (a) misappropriation by the Employee of any funds or property of SBWMA or any of its clients to whom Employee is assigned to perform services; (b) gross neglect or willful refusal to comply with the Employee's duties as set forth in this Agreement; (c) the Employee being convicted of any crime involving moral turpitude.

Section 3. Compensation and Performance Review. For all services rendered by the Employee pursuant to this Agreement, the SBWMA shall pay the Employee salary and benefits as set forth in **Exhibit A**. The Employee's performance and compensation shall be reviewed at least annually by the SBWMA Board. SBWMA does not participate in the Social Security system.

Section 4. Duties. The Employee is engaged to perform services and specific duties as assigned by the SBWMA Board. Employee's assigned duties are shown on **Exhibit B** hereto.

Section 5. Exclusive Service. The Employee shall devote his/her full working time and attention to rendering services on behalf of the SBWMA. Employment or paid work outside this Agreement must be pre-approved by the Board in writing.

Section 6. Arbitration. Any disputes concerning the parties' rights and responsibilities in this employment relationship, including, but not limited to this Agreement, and any claims concerning discrimination, harassment, wrongful discharge, a tort, breach of contract, breach of the covenant of good faith and fair dealing, any alleged unlawful or wrongful act which might arise under federal, state, and/or local constitutions, statutes and regulations shall be submitted to binding arbitration. Such binding arbitration shall be governed by the terms of Title 9 of the California Code of Civil Procedure (§1280 et seq.). Any arbitration proceedings shall be private and confidential to the extent permitted by law.

Employee and SBWMA shall jointly attempt to agree on an arbitrator. If Employee and SBWMA fail to agree upon an arbitrator within 14 calendar days of a timely request for arbitration, the parties shall jointly request the State Mediation and Conciliation Service to supply them with a list of seven names of persons experienced in hearing disputes involving public sector employment. Each party shall strike one name from the list until one name remains and that person shall be the arbitrator. The first party to strike shall be determined by lot. Costs of the arbitrator shall be borne equally by SBWMA and Employee.

All disputes must be submitted in writing to the other party for arbitration within one year of the incident giving rise to the dispute or be barred as untimely.

Section 7. Non-Assignable. This Agreement shall not be assignable.

Section 8. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing, and either personally delivered or sent by registered or certified mail, in the case of the Board sent to Chair of the Board of Directors SBWMA, 610 Elm Street, San Carlos, CA 94070, and in the case of the Employee, to Employee's last known residential address.

Section 9. Construction. This Agreement shall be governed by the laws of the State of California. The waiver by any party hereto of a breach of any of the provisions of this Agreement shall not operate or be construed as a waiver of any subsequent breach by any party. This instrument contains the entire agreement of the parties concerning employment and supersedes any previous written, oral or implied contracts. This Agreement may not be changed except by written agreement duly executed by the parties hereto. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their successors, heirs, and personal representatives.

Section 10. Severability. Each provision of this Agreement shall be considered severable, and if for any reason any provision is determined to be invalid, such invalidity shall not impair or otherwise affect the validity of the other provisions of this Agreement. Moreover, the parties agree to replace the invalid provisions with a substitute provision that will satisfy the intent of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date first hereinabove set forth.

DATED: _____ 2008

SOUTH BAYSIDE WASTE
MANAGEMENT AUTHORITY,
a California Joint Powers Authority

By: _____

DATED: _____ 2008

Employee

Right to Consult Counsel. The Employee has had the right to seek counsel, and the Employee has been advised to consult independent counsel concerning this Agreement, and the effects of the Agreement.

DATED: _____ 2008

Employee

EXHIBIT A

Salary and Benefits

1. SALARY

Commencing October 1, 2008, Employee, acting as South Bayside Waste Management Authority Executive Director, shall be paid a salary in the amount of \$174,000 per year, payable bi-weekly (26 installments per year). Such salary may change if Employee's duties are changed.

2. OVERTIME

Employee is exempt from overtime compensation. An absence from work for less than a full day shall not be charged to leave balances.

3. ADMINISTRATIVE/FLOAT LEAVE

Employee shall receive one hundred and twenty (120) hours of Administrative Leave per year. Administrative Leave shall be prorated based on the effective date of employment during a calendar year. Such time shall be arranged at least two (2) weeks in advance of the day(s) desired. Unused Administrative Leave time is paid out at the end of the year or upon termination of employment with SBWMA.

4. HOLIDAYS

(1) January 1	New Year's Day
(2) Third Monday in January	Martin Luther King, Jr. Day
(3) Third Monday in February	President's Day
(4) Last Monday in May	Memorial Day
(5) July 4	Independence Day
(6) First Monday in September	Labor Day
(7) November 11	Veterans Day
(8) Fourth Thursday in November	Thanksgiving Day
(9) Fourth Friday in November	Day after Thanksgiving
(10) December 25	Christmas Day

If any of the listed holidays falls on a Saturday, the Friday preceding shall be celebrated as a holiday; if the holiday falls on a Sunday, the following Monday shall be celebrated as the holiday.

5. VACATION

5.1 Entitlement

Employee shall accrue vacation at the rate of twenty (20) days per year.

5.2 Vacation Accrual

Employee shall not be allowed to have an accumulation of more than two (2) years vacation accrual to his credit at any one time unless the SBWMA Board authorizes in writing, more than two (2) years vacation accrual. Vacation accrued in excess of the maximum allowed will be liquidated by monetary payment during the month of December.

6. SICK LEAVE

6.1 Accrual

Employee shall accrue sick leave credit at the rate of eight (8) hours per month.

6.2 Family Sick Leave

Employee is entitled to use sick leave for the care of the employee's ill or injured immediate family member (as defined in Bereavement Leave) for up to half of the employee's annual sick leave accrual (6 days a year). Employee will not be compensated for unused sick leave upon termination.

6.3 Bereavement Leave

In case of death within the immediate family, Employee shall be entitled to remain absent from duty with pay in order to attend the funeral or memorial service for a maximum of three (3) consecutive workdays.

If the Employee must travel outside the state of California and at least four hundred (400) miles, Employee shall be entitled to remain absent from duty with pay in order to attend the funeral or memorial service for a maximum of five (5) consecutive workdays.

For the purpose of this Section, immediate family is defined as husband, wife, domestic partner as defined by the State of California, father, mother, grandfather, grandmother, sister, brother, son, daughter, mother-in-law, father-in-law, stepchild, stepmother, stepfather, or such person who has served in the place of the employee's parent. Such leave shall not be charged against Employee as leave without pay nor deducted from Employee's annual leave.

6.4 Family Care Leave and Pregnancy Disability Leave

Family Care Leave and Pregnancy Disability Leave are granted to Employee in accordance with the Federal and State law as adopted in the SBWMA's Family Care Leave Policy and Pregnancy Disability Leave Policy.

7. JURY DUTY

If Employee is summoned to jury duty, Employee may be absent from duty with full pay; provided, however, Employee must remit to the SBWMA, through the Chief Financial Officer, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

8. HOSPITALIZATION AND MEDICAL CARE

8.1 Health Plan

SBWMA shall contribute the premium cost for employees to participate in the medical plan to provide for medical care for eligible employees and their eligible dependents.

8.2 Dental Plan

SBWMA shall contribute the premium cost for employees to participate in the dental plan to provide for dental care for eligible employees and their eligible dependents.

8.3 Vision Care Plan

SBWMA shall provide a Vision Care Plan for employees and shall pay the monthly premium amount for eligible employees and their eligible dependents.

8.4 Long-term Disability

SBWMA shall provide long-term disability insurance at no cost to the employee. The waiting period for long-term disability benefits is sixty (60) calendar days. The Long-Term Disability premium is taxed to allow the long-term disability payment to be issued on a tax-free basis.

8.5 Alternate Medical Benefit Program

SBWMA employees who can provide proof of existing medical coverage from another source will receive a benefit in lieu of SBWMA's contribution for health insurance. The amount of the benefit is set at the applicable employee single rate.

9. LIFE INSURANCE

The SBWMA shall provide for Employee life insurance in the amount of one (1) times regular salary to a maximum of Two Hundred Thousand Dollars (\$200,000.00).

10. RETIREMENT

The SBWMA has adopted a self-directed Section 401(a) of the Internal Revenue Service Code retirement plan to which SBWMA contributes an amount equal to ten (10) percent of the employee's base salary. The employee vests in the 401(a) retirement plan immediately. In addition, SBWMA will contribute to the 401(a) plan a match of the employee's contribution to a 457(b) deferred contribution plan up to an additional two (2) percent of the employee's base salary. The match will be a one-for-one match, i.e. the employer will match each dollar of the employee's contribution up to two percent.

11. CAR ALLOWANCE

Employee shall receive a monthly car allowance to cover all costs associated with the use and maintenance of his car of \$400 per month.

12. SEVERANCE

In the event SBWMA terminates Employee without cause, the Employee shall receive a severance benefit in the amount equal to six (6) months of his then base salary. The severance benefit shall be payable in full by SBWMA at the end of the ten (10) day notice period in one lump sum.

13. BONDING EXPENSE

SBWMA shall be responsible to pay any bonding expense of Employee.

EXHIBIT B

ASSIGNED DUTIES

Employee will act as the South Bayside Waste Management Authority Executive Director. In that role the Executive Director will:

- § Plan, develop, implement, coordinate and evaluate resource conservation programs, projects and activities in the South Bayside Waste Management Authority;
- § Assure compliance with federal, state, local and other pertinent waste management and environmental mandates, laws, codes, rules, regulations and agreements;
- § Serve as primary subject matter expert in assigned area, external agencies, businesses, community groups and the public;
- § Supervise professional, technical, support, contract and volunteer staff;
- § Assist in planning, developing and monitoring the budget;
- § Attend all SBWMA meetings of the Board of Directors, Board subcommittees, and staff; and attend SBWMA member meetings as necessary;
- § Assist the Board of Directors in the discharge of its duties;
- § Prepare and submit a proposed budget to the Board;
- § Within authority given by the Board, execute contracts and expend funds for supplies, equipment and services;
- § Manage contracts entered into by the SBWMA; and
- § Perform such other duties consistent with the position of SBWMA Executive Director as required by the Board of Directors.



STAFF REPORT

To: SBWMA Board Members
From: Marshall Moran, Finance Manager
Date: September 22, 2011 Board of Director's Meeting
Subject: Quarterly Investment Report for the Quarter Ended June 30, 2011

Recommendation

It is recommended that the SBWMA Board review and accept the Quarterly Investment Report for the quarter ending June 30, 2011.

Analysis

The primary objective of the Investment Policy for the SBWMA is safety of principal, while meeting the cash flow needs of the Authority, through prudent investment of unexpended cash. As of June 30, 2011, 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 on June 30, 2011, funds in the amount of \$18,610,033 (Fair value of \$18,426,862) were invested producing a weighted average yield of 1.425%.

Accrued interest earnings this quarter totaled \$65,344. As shown in the table below, the slight increase in interest earnings is due to the slight increased balance of the portfolio as compared with the prior quarter.

Below is a summary of the changes in the portfolio.

	Qtr Ended 6/30/11	Qtr Ended 3/31/11	Increase (Decrease)
Total Portfolio	\$ 18,610,033	\$ 18,300,423	\$ 309,610
Wgtd Avg Yield	1.43%	1.47%	-0.04%
Interest Earnings	\$ 65,344	\$ 62,316	\$ 3,028

The increase in the total portfolio of \$309,610 is primarily related to a reduction in payments from the bond proceeds project account related to the capital project costs.

A table comparison of the portfolio components is provided below:

	6/30/11 Balance	% of Total	3/31/11 Balance	% of Total	Change over prior qtr
SM County Pool	\$ 2,070,798	11%	\$ 2,065,675	11%	\$ 5,123
LAIF	8,197,304	44%	6,189,561	34%	2,007,743
Bond Proceeds	8,341,931	45%	10,045,187	55%	(1,703,256)
Total Portfolio	\$ 18,610,033	100%	\$ 18,300,423	100%	\$ 309,610

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

The average yield of the portfolio excluding bond proceeds was 0.66%. The Local Agency Investment Fund (LAIF) is used as a benchmark, and the average LAIF yield for the quarter ending June 30, 2011, was 0.48%. The San Mateo County Pool average yield for the quarter was 1.35%.

Due to arbitrage restrictions, bond proceeds investments are not included in our LAIF rate comparison. As of June 30, 2011, the bond proceeds of approximately \$8.3 million were invested with the trustee in LAIF, Federal Home loan securities and other cash and short-term investments.

The Investment Advisory Committee, consisting of Jeff Maltbie, City Manager of San Carlos; Brian Moura, Assistant 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.

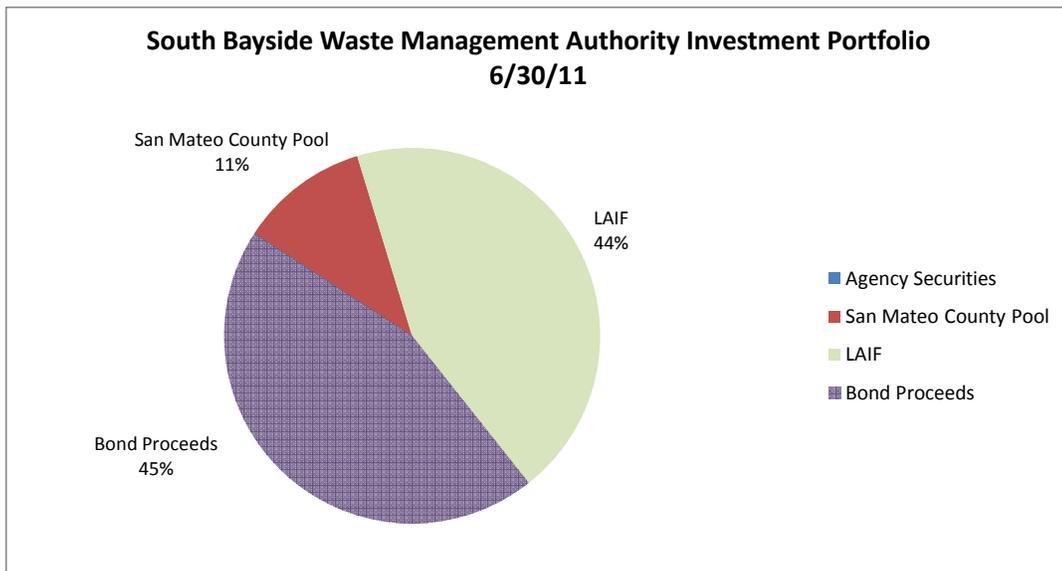
Attachments

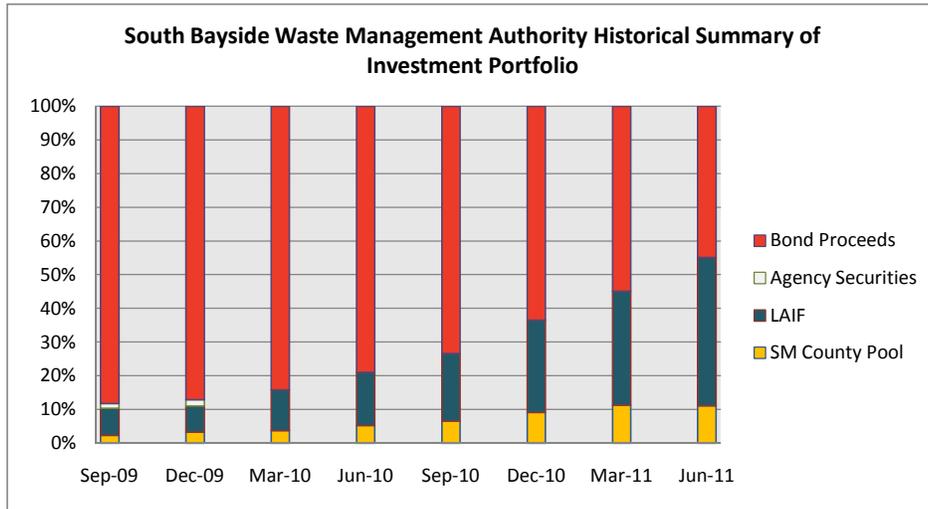
- 1 – Investment Portfolio Summary for the Quarter Ended June 30, 2011
- 2 – Historical Summary of Investment Portfolio

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

SUMMARY OF ALL INVESTMENTS
For Quarter Ending June 30, 2011

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
Liquid Investments:					
San Mateo County Investment Pool (COPOOL)	2		1.35%	2,070,798	2,075,395
Local Agency Investment Fund (LAIF)	1		0.48%	8,197,304	8,210,227
Total - Investments			0.655%	10,268,102	10,285,622
Bond Proceeds Accounts - Cash with Fiscal Agents					
BNY Western Trust - LAIF 2009 Project Fund Account			0.48%	1,944,142	1,947,207
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009 Project Fund Account			0.00%	1,010,104	1,010,104
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account			0.00%	270,350	270,350
BNY Western Trust - Federal Home Loan Bank 2009A Reserve Fund Account			4.59%	4,108,048	3,904,292
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account			0.00%	1,009,288	1,009,288
Total - Bond Proceeds Accounts			2.375%	8,341,931	8,141,240
GRAND TOTAL OF PORTFOLIO			1.425%	18,610,033	18,426,862
Total Accrued Interest this Quarter					65,344
Total Accrued Interest Fiscal Year to Date					295,648





South Bayside Waste Management Authority Portfolio

	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11
SM County Pool	1,685,963	1,690,785	1,694,971	2,048,690	2,053,315	2,060,200	2,065,675	2,070,798
LAIF	5,734,445	4,003,801	5,511,106	6,166,777	6,174,485	6,182,460	6,189,561	8,197,304
Agency Securities	1,001,250	1,001,250	-	-	-	-	-	-
Bond Proceeds	63,174,307	44,972,979	38,168,917	30,856,257	22,690,918	14,335,911	10,045,187	8,341,931
Grand Total	\$ 71,595,965	\$ 51,668,815	\$ 45,374,995	\$ 39,071,723	\$ 30,918,719	\$ 22,578,571	\$ 18,300,423	\$ 18,610,033



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manager
Date: September 22, 2011 Board of Directors Meeting
Subject: Resolution Approving Contract with SMART, Inc. for Installation of MRF Residue Conveyor

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011- 20 attached hereto authorizing the following action:

- Authorize the SBWMA Executive Director to negotiate and enter into a contract with SMART, Inc. in substantially the same form as shown in Exhibit A.

Analysis

SBWMA staff received bids for the installation of a MRF residue shuttle conveyor within the transfer station that was not originally included in BHS's MRF equipment contract scope. BHS provided a cost quote for the manufacture and installation of the residue shuttle conveyor in the amount of \$174,850 which far exceeded the \$75,000 budget amount for this item. With the expectation of getting better pricing from other installers, SBWMA staff requested bids for the residue shuttle conveyor and received a low cost bid of \$84,605 from SMART, Inc. Upon Board approval of the contract with SMART, Inc., the shuttle conveyor will be installed and the MRF residue will be conveyed to the transfer station as originally envisioned in the Master Plan design.

Background

The original MRF equipment design, fabrication and installation contract with BHS included a conveyor system to transport residue generated at the MRF building to the adjacent transfer station. The purpose of the residue conveyor system is to save money and fuel associated with transporting the MRF residue by truck to the transfer station. At the time of the single stream processing equipment design for the MRF, the details of the tipping floor operation were not well known, so the transfer station residue shuttle conveyor was excluded from the BHS contract. Additionally, a budget estimate of \$75,000 was included in the Master Plan budget for the purchase of a shuttle conveyor (to be installed after the single stream installation was completed).

For additional conveyor design detail, refer to the attached contract scope of work Exhibit A.

Fiscal

The original Master Plan budget includes a budget amount of \$75,000 for a transfer station residue shuttle conveyor. The contract amount with SMART is for \$84,605 which is \$9,604 over the originally budgeted amount for this item. There is sufficient money within the Master Plan budget to cover the amount in excess of the budget amount.

Attachments:

Resolution 2011- 20

Exhibit A. Contract with SMART, Inc.



RESOLUTION NO. 2011-20

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A CONTRACT WITH SMART, INC.

WHEREAS, the Master Plan envisioned a conveyor system to transport MRF residue to the transfer station; and

WHEREAS, the SBWMA will save money by using the residue conveyor system rather than paying SBR to transport residue by truck between the buildings; and

WHEREAS, the contract with SMART, Inc will complete the residue conveyor system so that MRF residue can be conveyed to the transfer station floor.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a contract with SMART, Inc. per Exhibit A to install a shuttle conveyor inside the transfer station building.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the this **22^h day of September, 2011**, 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. 2011- 20 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on **September 22, 2011**.

ATTEST:

Brian Moura, Chairperson of SBWMA

Cyndi Urman, Board Secretary



CONTRACT

THIS AGREEMENT, made and entered into this 22nd day of September, 2011, by and between SMART, Inc. hereinafter called "Contractor" and SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY hereinafter called "Authority".

WITNESSETH:

WHEREAS, the Authority has awarded a contract to Contractor for performing the work hereinafter mentioned in accordance with the proposal of said Contractor.

NOW THEREFORE, IT IS AGREED AS FOLLOWS:

1. **Scope of Work.** The Contractor shall perform all the work, and furnish all the labor, materials, equipment and all utility and transportation services required to complete all of the work of construction and installation of the improvements more particularly described in the plans and specifications entitled, "RESIDUE TRANSFER CONVEYOR EXTENSION" and adopted by the Authority on September 22, 2011, the items and quantities of which are more particularly set forth in the Contractor's bid therefore on file in the Office of the Authority.
2. **Time of Performance.** After the Contract has been executed by the Authority, the Contractor shall begin work within ten (10) calendar days after receiving from the Authority written notice to proceed, and shall diligently prosecute the same to completion before the expiration of 56 (FIFTY SIX) calendar days from the date of said notification, except as provided in the Specifications.
3. **Contract Price.** Contractor shall perform the work not to exceed US \$84,605.00 Eighty four thousand six hundred and five dollars and 00/100 Dollars payable by the Authority to Contractor at the time and in the manner provided in the Specifications and at the prices stated in Contractor's bid.
4. **Component Parts.** This contract shall include the following documents, each of which is on file in the Office of the Authority and all of which are incorporated herein and made a part hereof by reference thereto.
 - a. This Agreement
 - b. Accepted Proposal
 - c. General Conditions
 - d. Special Provisions
 - e. Technical Specifications
 - f. Payment Bond
 - g. Faithful Performance Bond
 - h. Plans and Detailed Drawings
 - i. Certificate of Security for Compensation

15. Indemnity. CONTRACTOR shall defend, indemnify and hold AUTHORITY harmless from any and all claims and liabilities related to or as a result of CONTRACTOR'S performance of the Agreement.

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

CONTRACTOR

SMART, Inc.

By: _____
Tommy Sloan, Owner

DATED: _____, 2011

Contractor's License Number

SBWMA

By: Kevin McCarthy, SBWMA Executive Director

DATED: _____, 2011

APPROVED AS TO FORM:

By: Bob Lanzone, SBWMA ATTORNEY

DATED: _____, 2011

Date Received executed by SBWMA _____

Notice to Proceed Sent _____

by _____
Cyndi Urman, Board Secretary

S.M.A.R.T. Inc.

29 Spoon Lane
Coto De Caza, CA 92679

Estimate

Date	Estimate #
9/15/2011	1022

Name / Address
SBWMA Hilary Gans 610 Elm Street San Carlos, CA 94070

Description	Total
Fabricate and install structural steel	22,809.00
DAVCO SR1 style conveyor	46,800.00T
Electrical Installation Price includes new NORD GEAR VFD, all new conduit and wire run from new motor to existing BHS control system in MRF. Electrical Services will install new VFD in existing BHS control cabinet and all power to conveyor. Programing by others.	10,550.00
Terms: 50% deposit with order, 30% before conveyor ships, 20% due after completion of job.	
Note: Price includes - 100' DAVCO SR1 style conveyor, complete fabrication and installation of structural ceiling hangers and conveyor assembly. Price includes - Sales Tax. Tax is applied to conveyor sale only.	
Sales Tax (8.25%) \$3,861.00	
Total \$84,020.00	

Phone #
(714) 348-6580



Simple. Smart. Green.

STAFF REPORT

To: SBWMA Board Members
From: Cliff Feldman, Recycling Programs Manager
Hilary Gans, Facility Operations Contracts Manager
Date: September 22, 2011 Board of Directors Meeting
Subject: Receipt of Recology and SBR Monthly Reports

Recommendation

This is an informational report and no action is necessary.

Analysis

Recology San Mateo County (Recology) and South Bay Recycling (SBR) are required to submit monthly reports. Both companies submitted their Monthly Reports on time. These Monthly Reports are due 15 days after the end of each month. Recology's and SBR's reports for the months of July and August are attached.

SBWMA staff and SBR have worked together to develop a Monthly Report format that meets the requirements of the Operations Agreement. As requested by the Board, SBR has updated the Monthly Report format to include the Member Agency tonnage delivered to the SEC each month.

It's important to note that the tonnage information presented in Recology's Monthly Report is derived from data compiled by SBR as the Shoreway Environmental Center facility operator. Therefore, regarding the reporting of tonnage, the Recology and SBR reports are redundant. In addition, the SBR report provides details on the transfer station and buy-back center activities and therefore includes more facility tonnage data than the Recology Monthly Report. Recology's report includes collection data, monthly updates on various operations, and call center complaint/inquiry related metrics.

Background

Article 9, section 9.05 of the Member Agencies Franchise Agreement(s) with RSMC require the company to prepare and submit a monthly report. Similarly, Article 8, section 8.07 of the Operations Agreement between the SBWMA and SBR requires the company to submit a monthly report. The guidelines and reporting requirements for each company are specified in their respective Agreements.

Attachments:

Attachment 1 - Recology July 2011 Monthly Report
Attachment 2 - Recology August 2011 Monthly Report
Attachment 3 - SBR July 2011 Monthly Report
Attachment 4 - SBR August 2011 Monthly Report

**Agenda Item 3E
Receipt of Recology and SBR Monthly Reports**

Attachments:

- 1. Recology San Mateo County August 2011 Monthly Report**
 - 2. Recology San Mateo County September 2011 Monthly Report**
 - 3. SBR August 2011 Monthly Report**
 - 4. SBR September 2011 Monthly Report**
-

- ◆ Recology August 2011 Monthly Report
- ◆ Recology September 2011 Monthly Report
- ◆ SBR August 2011 Monthly Report
- ◆ SBR September 2011 Monthly Report

Files too large to include with Packet

Posted on Website: www.rethinkwaste.org