



CONSENT CALENDAR



DRAFT MINUTES

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
MEETING OF THE BOARD OF DIRECTORS
October 27, 2016 – 2:00 p.m.
San Carlos Library Conference Room A/B**

Call To Order: 2:03PM

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.

Menlo Park TAC Member Heather Abrams noted that Executive Director La Mariana had asked her to mention an effort that the City of Menlo Park has recently gotten underway. Menlo Park is working on a zero waste plan, and potential rate restructuring. They are looking at rates to address potential cross subsidization issues between commercial and residential rates, and looking at a rate structure that supports all of the services, with the right incentives to meet AB939 goals. She added that Menlo Park has just started this process, and they are potentially welcoming other Cities to work with Menlo Park, to potentially create a rate structure that would be in alignment throughout the SBWMA Service Area. She closed by noting that if Board Members are interested, she is available to discuss further one on one.

5. Executive Director's Report

Executive Director La Mariana brought attention to some of the items in his report, as well as some items that have come up since the writing of the staff report. He noted the investment fund transfer of two SBWMA investments was completed on October 14. The transfer was driven by a change in regulations. He also mentioned some administrative items, and noted the details were in the staff report. There was a public records request fulfilled by staff, and thanked Staff Urman for taking the lead in fulfilling that request. He talked about staffing noting that there are 8 authorized and budgeted FTEs, 7 are staff employees, and one position that contracted through the LGS Contract which was terminated on September 23 filled. This leaves an equivalent of 3 positions open in an 8 staff organization. He noted that one of the openings, the

Environmental Education Associate has just been filled and that Madison Guzman will start on November 7. He also thanked Board Member Aguirre for her help in the hiring process. He also noted that the other two vacant positions are currently being filled through the use of contractors, which are not expected to exceed what would normally have been paid in salary.

Member Bonilla is now present.

Executive Director La Mariana then noted that Member Agency work on Recology's 2017 rates is underway, and SBWMA staff will be available for Member Agency support as needed. He also mentioned the Franchise Agreement Extension Negotiations Committee (FAX), and that good collaborative work has happened so far. He noted the first meeting of the FAX committee would be on November 10, and the first meeting with Recology would be on December 7. He added that there is a two tier track of meetings, with a Negotiation Team (consisting of staff, legal, financial/negotiator and subject matter experts) meeting with Recology in between the FAX Committee meetings. The goal is to come to the Board in April or May 2017 with a final draft of a Uniform Franchise Agreement and Recology's base pricing for these services. This would then go out to each Member Agency to be considered at the governing bodies of each Agency.

Executive Director La Mariana gave a quick update on the fire noting that reopening looks like it will happen in February. He noted that there was a necessary layoff on October 13, of 10 SBR employees, and 9 employees are being retained. He also noted that the VRS workers have been reassigned to other areas. He also gave an update regarding VRS, noting that staff is working closely with the County to adopt their living wage ordinance, and he gave an overview of the impacts, and noted that there will be future Board discussion on these impacts.

Executive Director La Mariana noted that the SBWMA contract with Zanker Road for Construction and Demolition recycling is expiring on January 31, 2017, and that staff is in negotiations for an MOU to add an additional three months to the current term while a contract is negotiated and other options are explored.

Lastly, Executive Director La Mariana reminded the Board and everyone in the room of the annual Holiday Lunch to be hosted before the Board Meeting on November 17. He also invited everyone to an Open House celebration of America Recycles Day on November 19, at the Shoreway Environmental Center.

Executive Director La Mariana then mentioned some items not included in his report, for the Board's future consideration. The lease to the SBWMA office space is up on June 30, 2017, so he will be entering into discussion with the City of San Carlos regarding future lease price options. He also noted that Peninsula TV has reached out to him and Recology and they are putting together a 10-12 part series on the Solid Waste and Recycling Industry and the do's and don'ts, and there are several ways the Agency can be involved. He also noted that Board Member Widmer has contacted him regarding a local artist that has a passion for environmental education through art.

Member Widmer added that Michael Killen, a Menlo Park resident, who is very well known throughout the country for his artwork that talks about the issues associated with climate change and other environmental impact issues. He noted that his artwork is very large, and after a tour of the MRF 6 or 7 months ago he was inspired to create a painting that could be turned into a banner that would hang off of the building as a piece of education. He noted that there are costs associated with this work that the SBWMA would pay for, and that he has also asked Recology if they would participate in the costs, so there needs to be final discussions on the costs. He invited Board Members to see his artwork at Atherton City Hall on November

9th, and he also has a show on Peninsula TV.

Executive Director La Mariana closed by thanking Member Stone for his service on the Board, noting that this was his last meeting representing Belmont on our Board and he welcomed Alternate Member Davina Hurt into the lead board role representing Belmont.

Member Benton asked if staff had any idea what triggered the public records request.

Executive Director La Mariana answered no, the trigger for this request is unknown..

6. 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. Approve minutes of September 22, 2016 Board of Directors Meeting

Member Bonilla made a motion to approve the consent calendar

Member Stone seconded the motion

Roll Call Vote: 8-0-1-4

| 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 | | | |

7. Administration and Finance

A. Discussion of Annual Financial/Operational Audits (Frequency)

Executive Director La Mariana discussed the contractual and regulatory obligations for financial and operational auditing. He added that some audits are driven by regulations, and some are driven by good business practice. The current Franchise Agreement language has layer upon layer of protection with the reporting, so the Franchise Agreement Extension discussions offers an excellent opportunity to look at the contract and simplify things in the next contract. He noted that it does seem that there is a lot of time spent on reporting, but with that said, there are good reasons to do reporting. The financial and operational audits are integrated, and serve as a data source for rate setting and financial tracking, and he suggested continuing to do those audits annually. He suggested further pulling back on the contamination monitoring audits to annually rather than bi-annually, as performance integrity all rolls into the rates. He added that audits on the SBR side of the operation are particularly important because the audit typically focuses on the scale house and the buyback, and those are a cashed based exchanges. He also added that all of the information at the public, commercial and franchised scales rolls into the rate review process, and the audits keep that process honest, and keeps the integrity of the data that is used to set rates. He also noted that there are examples of audits being done every two to three years, and yes that would save money on the auditing function, but the tradeoff is if the auditors find something that has to be trued up during the rate review process, it requires going back in time on rates. He pointed out that the audits tend to be the very first step in the budget process as well, so between the budgeting and the rate setting process there is a very good reason to continue to do the audits on an annual basis.

Staff Gans added that the financial and operational audits for SBR are linked, and can't be pulled apart because the audits measure tons, and tons translates to dollars immediately at Shoreway. He suggested the possibility of going through a check list of what's on the operational audit that the Board might want to spend time reviewing, and he agreed that the financial auditing of Recology's operations is important to conduct annually.

Member Widmer noted that over the last 2-3 years the Board has looked at these audits, and on many items there is no action taken other than the report. He recommended that Recology and SBR do self-audits, with a report to the Board, and the contractor audits be every 2-3 years, because the audits are finding 1% and the threshold is 5-10%. He also noted the contamination audits and that there was some action taken in the past, and he thought that action could be limited if contamination was audited more often. He also noted that he agreed with Executive Director La Mariana on any audits where cash is handled should be done annually.

Member Benton commented that he wanted to broaden the discussion to monthly reporting as well as auditing, and wondered if reports were needed monthly, and if doing them quarterly would save any money.

Chair Grassilli asked staff to put together a specific list of all the audits, and a staff report where the board could vote on which audits to do, and how often.

Member Brownrigg commented that he was glad to be having the discussion, but would like management to make a recommendation, understanding the balance between the tradeoffs.

Member Benton commented that the town of Hillsborough has periodically asked for a report confirming that Recology and Hillsborough are getting paid for all of the pickups they are doing, and the backyard service they are carrying out, and he would still like to be able to get those reports on request.

8. Collection and Recycling Program Support and Compliance

A. Resolution Approving WM Curbside for Door-to-Door HHW Collection and Discussion of Options

Executive Director La Mariana noted that he was following up on previous discussion the Board has had on this topic. He noted that the current contract for HHW collection services expires on December 31, 2016, and the Board needs to make a decision on how to proceed. The options are to 1) enter into a new agreement with WM Curbside for the same HHW collection services provided over the last 5 years, at the new proposed set of prices. 2) To not renew the WM Curbside contract, and proceed with notifying the public that the program is being discontinued as of January 1, 2017 3) Provide direction to staff to implement temporary HHW collection events at Shoreway and develop an alternative HHW collection plan to be presented at the January Board of Directors meeting. He then gave the pricing details in the new WM Curbside contract, and noted that the number doubles by the end of the proposed 5 year term, but noted that the service WM Curbside provides has very high customer satisfaction. He also noted that when WM Curbside started this contract they were driving to Richmond, and now the facility is in Tracy, so the transportation component has gone up quite a bit. He also noted that he spoke to WM Curbside about the possibility of a one year contract, but in the pricing model they are proposing only years 3-5 are profit years for the company. He also commented that the Board gave staff the direction to look at other options, noted in the staff report, and that staff is working very closely with San Mateo County's HHW on opportunities to leverage the advantages of both organizations.

Member Aguirre asked if there was a choice for where the facility it's being transported is, noting the cost increase due to the change in facility from Richmond to Tracy.

Executive Director La Mariana answered that it is dictated by the contractor not the SBWMA, he did note that staff has had some high level conceptual discussions about the possibility of working with WM Curbsideto have a drop off facility at Shoreway, the key would be that the revised pricing on the collection would have to offset the cost of the facility, and that pricing remains unknown at this point.

Member Widmer commented that the state rebate for paint that is picked up through the WM Curbside program is not included in the dollar figure. He also commented that he thought hazardous waste could be added to the shred and ewaste events that are already a part of the Franchise Agreements.

Executive Director La Mariana noted that the agency does receive quarterly checks in the \$20,000 range that are backed out of the program costs.

Member Benton asked what the transportation would be if hazardous waste items were to be dropped off at Shoreway.

Executive Director La Mariana answered that it would depend on the material type, HHW is very tightly regulated and there are limited facilities that process it.

Member Benton asked for clarification of WM Curbside picks up at the residents home and drops off at Shoreway it still has to go someplace off site, so how much of a savings would it really be by making a drop off facility at Shoreway. He also asked what is permitted to be dropped at Shoreway now.

Staff Gans answered the materials accepted at Shoreway are universal waste. He noted that there are different types of waste based on their safetythreat and toxicity. Universal waste is batteries, motor and cooking oil, latex paint, fluorescent lights, and other automotive fluids, and sharps. He added that household hazardous waste being discussed today are items that are more acutely toxic, like pool chemicals, oxidizers, pesticides and herbicides, oil based paint, turpentine and solvents, etc. These have to be handled in a more specific and regulated way.

Member Benton agreeing with all that has been said that these materials need to be kept out of the landfill, and only 5% is being picked up through this program, looking at raising the participation rate either through this program or another program should be a priority, not the cost of the program.

Executive Director La Mariana commented that hazardous waste tends to be the kind of thing that aggregate in garages and sheds, and gets cleaned out occasionally.

Member Bonilla asked why the program exists in the first place.

Executive Director La Mariana answered that the program exists as part of the AB939 requirement to keep HHW out of landfills, and overtime this is the program that has evolved in our service area. The material has been identified as hazardous because it presents a very direct threat to the health of the community and to the environment, and specifically out of landfills because of ground water contamination.

Member Stone noted that he has seen his neighbors throwing hazardous waste into the garbage bin, and asked what to do when it ends up in the wrong place.

Executive Director La Mariana noted that there are several other levels of interception of the material. By law at Shoreway there is a requirement to have a load inspection program to visually try to identify material and pull it out, but noted that it's a challenging battle with the amount of tons at Shoreway every day. Additionally the landfill has the same requirement, so there are several tiers of checks for incorrect disposal. And he recommended strong public outreach, and making the tools convenient for people to dispose correctly.

Member Stone followed up on the public education component, noting that he didn't think most people knew they could drive to Shoreway to drop off many items. He then asked based on the information in the staff report that San Ramon is going to get \$0.79 per household in 2017, what the rest of that contract look like.

Executive Director La Mariana noted that he could get that information, but didn't have it at the meeting.

Member Dehn asked what happens if all of the Member Agencies opt out by year two of the contract.

Executive Director La Mariana answered that the HHW collection program has always been a pass through program, so the SBWMA would not be responsible if Member Agencies dropped the contract. The contract does make an assumption that there would be 85,000 households of the 144,000 in the service area, and if it dropped below that number of participating households that cost would go up.

Chair Grassilli commented that he would like to see the drop off events at \$5,000 estimated per event, rather than spending \$600M over 5 years. He would like to see balance between what needs to be done with how much it costs.

Member Widmer commented that he agreed with the Chair that \$120,000 for two events per year in every jurisdiction is a reasonable cost. He also noted that the staff report stated that the County hosts collection events, but that he's never seen them advertised, and he's never known about them.

Member Aguirre asked if there was data on contamination in jurisdictions that don't have HHW programs. She also noted that she wasn't sure if a collection event based program was implemented how many people would drive to them, noting that often the people that have the most accumulation are seniors who can't get out. She would like to see data on what the contamination could be if the door to door program is dropped.

Executive Director La Mariana noted that if the Board doesn't renew the contract and is looking at other options staff is inclined to look at options 3 (collection events) or 4 (permanent facility at Shoreway) or 3 and 4 in the staff report.

Member Widmer noted that he likes option 5, and would like to work with Recology on HHW collection.

Executive Director La Mariana commented that staff talked to Recology regarding a similar program they have in San Francisco, but for various reasons Recology has obstacles to making it work here.

Member Benton commented that he used the program and found it awkward, with the plastic bags, and in the end he ended up using the Tower Road facility instead, and that may be why there is only a 5% usage rate, and he'd like to spend more time trying to fix the low usage rate rather than the cost.

Member Brownrigg commented that he sensed that the Board was leaning toward centralized events, and noted that he didn't think residents would drive to neighboring cities for these events, so then it's going to be \$60,000 to host one event a month, how does Burlingame then pay for that.

Executive Director La Mariana answered that it would be passed through the same way shredding events are if more than one event outside of the Franchise Agreement is held. He also added that \$5,000 is just the fixed cost, there is variable cost component based on the material collected and the disposal costs associated with it.

Chair Grassilli asked if Member Brownrigg was considering one per month per agency at \$120,000.

Member Brownrigg answered yes, to be serious about diversion, the events have to be often enough to be convenient.

Chair Grassilli noted that the options will be brought back to the Board for future discussion, but today the Board needs to vote on whether to extend the contract.

Member Bonilla made a motion to extend the contract for five years with the 60 day opt out per agency.

Member Stone seconded the motion.

Chair Grassilli asked for clarification that if a Member Agency decides to discontinue the contract, they will not be charged for any of the remaining years of the contract.

Counsel Savaree noted that if it's not in the contract, and that is the direction of the Board, staff will go back and negotiate that point with the contractor.

TAC Member Murray from the City of San Mateo mentioned that the costs have already been built into the rates for 2017, so if there is a 60 day out in the contract there is a whole year to look at options.

Executive Director La Mariana noted that in the current contract there is a 60 day out, but that he would need to verify that going forward.

Member Widmer would like to verify the 60 day out, and no penalty.

Member Brownrigg noted that it might not be a problem if one Member Agency drops, but what happens if all 12 drop the program, and he would like to get clarification on that point before moving forward.

Member Bonilla added that he would like to see the Agency getting more creative about outreach regarding HHW.

Member Stone agreed there should be more outreach.

Member Brownrigg commented that he would like to see staff working on the special events option, and thinks that is where the HHW program will wind up, and suggested running a few events to see how much is diverted, and whether or not it's more effective.

Roll Call Vote: 8-1-0-3

| 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 | | | |

B. Update on Expiring Franchise Agreement Negotiation Process

Executive Director La Mariana noted that he touched on this in his Executive Director's report.

Member Widmer asked that the TAC review the final draft Franchise Agreement.

Member Benton asked if the contract terminates automatically or if there has to be notice to terminate if there is a decision to go to RFP.

Executive Director La Mariana the contract would end on December 31, 2020 absent of any other action.

9. Shoreway Operations and Contract Management

A. Update on Shoreway Materials Recovery Facility Fire Claim and Restoration Process

Staff Gans noted that this was discussed at the last meeting, and this is the second staff report to keep the Board updated. The staff report includes the details and costs so far, and by the next Board meeting staff will have more accurate costs and completion dates available. He added that a question about coverage continually comes up, and staff and the Board want to ensure that the costs for the work being done to repair the facility will be fully covered by insurance. He noted that he has met repeatedly with the insurance company, and they have a good set up for claims processing and reviewing the work that is being done. There is a Hanover agent on site 8 hours a day at Shoreway. The process being followed is that before the work proceeds there is a quote or time and materials arrangement, that quote is reviewed with the insurance agent, they authorize moving forward with the work quoted, and then Hanover has a forensic accountant onsite that monitors the level of effort, amount of staff, amount of materials, and then certifies the invoices. The invoices then get sent to our staff for payment, and then our staff sends them to Hanover for reimbursement. He added that the hope is this process with a Hanover representative onsite will mitigate in discrepancies, and mitigate the SBWMA's exposure to dispute. He then talked about the restoration work that is continuing on the building and explained the extensive cleaning process Signal restoration is using. He noted that the bill of this cleaning is going to be over \$4.5M and will take at least a month. He also noted that there is significant business income loss due to the impact of having to transport recyclables off site, and that loss is also covered by Hanover. He added that staff is working closely with SBR to understand what the costs of normal operations would be, and what the costs are currently with transportation and figuring out what the gap is, and the gap will be the amount billed to Hanover for

business income loss. He concluded that so far \$1.5 has been received from Hanover so far, so from a cash flow standpoint it's about even right now.

Member Benton asked if there was a plan to better understand the cause, so that this doesn't happen again.

Staff Gans answered that no one knows the source, which is very frustrating. There is an extensive camera system at Shoreway, and there happened to be a camera pointed on the piece of equipment where the fire started, so there is real time footage of the fire. He added that multiple people have looked at the footage, and nobody knows the source, so where it started is known, but what started it is unknown. He noted that fires are not infrequent at the facility, and they are usually caused by lithium ion batteries on the tipping floor when material is being pushed around. He stated that this is unique in the industry because the fire started in the system, not on the tipping floor. It also wasn't a mechanical friction fire, which is also common. He added that possible leading theories are that it was an oil soaked rag that wrapped around a piece of equipment and heated up, and once it caught fire it stayed on fire and perpetuated. Or possibly a propane canister that ignited. He added that from the video it shows that the ignition source stays in one place in the equipment, and catches recyclables on fire which are then carried by the conveyor belt throughout the facility. Going forward more fire suppression will be added, and staff is investigating and getting professional input on where to add fire suppression.

Member Widmer asked if there were any other changes, improvements or upgrades planned, since this a unique opportunity to implement those improvements.

Staff Gans answered yes, and that he would be back at the November Board meeting with a capitol request for some items. He added that there is a list of items, and staff would like to be able to do them all while the facility is down, but the timing of getting 3 bids, and doing the work during the short time frame that the facility is down is not realistic, so the request will be for the most critical items.

B. Review of Shoreway Environmental Center Site Restoration Services' Contracts Let Under Purchasing Policy

Executive Director La Mariana noted that under the purchasing policy it was established that there was an emergency, and there are provisions that allow staff to move forward with the work and then bring contracts back to the board each month that have been let. He noted that on page 2 of the staff report, there is a list of the contracts and purchase orders that have been let related to fire restoration and repair, which represent about 60% of the work that needs to be done.

Member Benton asked if the contract for \$4.7M with Signal was a signed agreement.

Executive Director La Mariana answered yes it has been signed.

Counsel Savaree added that the contract has been reviewed and approved by Hanover as acceptable, and they will reimburse for that amount.

Member Bonilla made a motion to approve Resolution 2016-39

Member Widmer seconded the motion

Roll Call Vote: 9-0-0-3

| 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. Update on South Bay Recycling Staffing Gap

Executive Director La Mariana commented that through the Operations agreement with South Bay Recycling, SBR is required to maintain a certain level of staffing, and a site manager position had been vacant for 6 months and because of that there is a gap of \$52,500 which will be invoiced through the regular monthly invoice process and the SBWMA will be reimbursed for that amount.

10. Informational Items Only (no action required)

- A. September 2016 Check Register Detail
- B. Technical Consulting and Professional Services Agreements for 3rd Quarter 2016
- C. Potential Future Board Agenda Items

11. Board Member Comments

Member Stone thanked everyone on the Board and noted that he would be stepping aside and becoming the alternate, and his colleague Davina Hurt will be taking over representing Belmont on the RethinkWaste Board.

Chair Grassilli adjourned the meeting in honor of Member Stone.

12. Adjourn 3:33PM



STAFF REPORT

To: SBWMA Board Members
From: Joe La Mariana, Executive Director
Date: November 17, 2016 Board of Directors Meeting
Subject: Consideration of Approval of 2017 Merit Increase Pool for Unrepresented Employees

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution 2016-40 hereto authorizing the following action:

Approval of the merit pool for calendar year 2017 of 3% of wages as assumed in the adopted FY 16-17 budget.

Analysis

SBWMA employees are eligible for consideration of a merit increase at least annually per a process delineated in the employee compensation policy, usually on January 1. Per the policy an employee is considered for a merit increase (or not) based on the following these factors:

- a. The employee's annual written performance appraisal measured against predetermined goals and objectives.
- b. The employees current position within the existing salary range, and his/her salary relative to internal and external comparable positions.
- c. Merit increases shall, in aggregate, not exceed the budget allocations for salary increases as defined in the annual budget unless approved by the Board of Directors.

The Executive Director completes annual performance reviews using an employee evaluation and performance plan form as attached (Attachment A). Employees also submit regular goal status updates to the Executive Director.

Standard salary administration practices call for periodic review and adjustment to the marketplace. This agency has historically conducted these reviews on a three-year cycle and, because this review was last conducted in 2013, a salary survey was conducted in May 2016. Here are the results:

| 2016 Salary Range Survey <i>Conducted by Regional Government Services, April 2016</i> | | | |
|---|---------------------------|-----------------------------|--|
| Position: | Current Salary Range/Year | Survey Results: Salary Mean | % of Mean compared to top of SBWMA Range |
| Finance Manager | \$112,196-\$140,245 | \$140,244 | 0% |
| Facility Operations Contract Manager | \$112,196-\$140,245 | \$141,996 | -1.23% |

| | | | |
|---|---------------------|-----------|---------|
| Recycling Program Manager ¹ | \$112,196-\$140,245 | \$150,612 | -6.89% |
| Recycling Outreach & Sustainability Manager | \$112,196-\$140,245 | \$142,980 | -11.72% |
| Office Manager/ Clerk of the Board | \$59,659-\$74,573 | NA | NA |
| Environmental Coordinator | \$65,267-\$81,580 | NA | NA |
| Environmental Associate | \$52,208-\$65,250 | NA | NA |

¹ Contractor through Local Government Services with PERS benefits.

Background

The employee compensation policy was adopted by the Board of Directors on November 19, 2009. Salary ranges are reviewed periodically by the Board and last adjusted per Board approval on June 27, 2013. The table below summarizes approved merit increase pools over the past five years.

| Board Approved Merit Increase Pool <i>(Calendar Year)</i> | | | | |
|--|------|-------|------|------|
| 2012 | 2013 | 2014* | 2015 | 2016 |
| 2% | 1.5% | 4.5% | 3% | 3% |

*See note below from "Personnel Summary" attachment to FY 13-14 budget.
 *A Compensation Survey completed April 2013 shows that the agency's four management positions, excluding the Executive Director, are from 7-16.3% below the salary median for comparable positions and 9.4% to 23.1% below total compensation median from comparable positions.

The current Board approved salary ranges, by position, are included in the table below:

| 2017 SBWMA Staff Positions: Salary Ranges <i>(as set by Board on June 27, 2013)</i> | | | | |
|---|--------|----------------|--------------------------|---------------------------|
| Position: | Status | Current Salary | % of Top of Salary Range | Current Salary Range/Year |
| Finance Manager | Filled | \$125,860 | 89.7% | \$112,196-\$140,245 |
| Facility Operations Contract Manager | Filled | \$138,958 | 99% | \$112,196-\$140,245 |
| Recycling Program Manager ¹ | Open | ---- | --- | \$112,196-\$140,245 |
| Recycling Outreach & Sustainability Manager | Open | ---- | --- | \$112,196-\$140,245 |
| Office Manager/ Clerk of the Board | Filled | \$68,120 | 91.3% | \$59,659-\$74,573 |
| Environmental Coordinator | Filled | \$70,721 | 86.7% | \$65,267-\$81,580 |
| Environmental Associate | Filled | \$53,602 | 82.1% | \$53,602-\$65,250 |

¹ Contractor through Local Government Services with PERS benefits.

Fiscal Impact

The adopted FY16-17 budget assumes a fiscal year total amount for merit increases of all unrepresented staff is \$21,275. The total adopted FY 16-17 SBWMA program budget is \$4,048,226.

The assumed annual merit increase pool of 3% wages has been adjusted to reflect staff vacancies in 2016 (Recycling Outreach & Sustainability Manager; Recycling Programs Manager and Environmental Educational Associate.) The adjusted merit increase totals \$15,456 for calendar year 2016, or half this amount which is \$7,381 for FY 16-17.

Attachments:

Resolution 2016-40



RESOLUTION NO. 2016-40

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVING A 2017 MERIT INCREASE POOL FOR UNREPRESENTED EMPLOYEES

WHEREAS, the Board of Directors met in closed session on November 17, 2016 and reviewed the employee compensation policy, including information on a proposed merit increase pool of three percent (3%) of wages for calendar year 2017 merit increases; and

WHEREAS, the Board of Directors finds that a merit increase pool of three percent (3%) of wages is reasonable and consistent with the 2017 Budget for the Authority;

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a merit increase pool of three percent (3%) of wages for 2017 for unrepresented employees.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17th day of November, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-40 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Cyndi Urman, Board Secretary
Date: November 17, 2016 Board of Directors Meeting
Subject: Approval of 2017 Board Meeting Calendar

Recommendation

It is recommended that the SBWMA Board of Directors approve a 2017 Board of Directors meeting calendar.

Summary

Staff recommends continuing with a 4th Thursday meeting as there are not any Member Agency governing body meetings on this day of the week. It should also be noted that CCAG meetings are currently held the 2nd Thursday of the month starting at 6:30 pm and ABAG typically meets the third Thursday of every other month. Thus, it would be advisable to continue to schedule SBWMA Board Meetings on the 4th Thursday of the month.

Analysis

The 2 pm time frame on the 4th Thursday of the month was chosen to avoid as many regional conflicts as possible. Staff has analyzed the action items that take place at the Board level on a monthly basis, and recommends keeping a 10 meeting per year schedule, one per month except August and December, and canceling meetings if there are not any action items in a given month.

Background

The SBWMA Board monthly meetings have historically been held the on the fourth Thursday of the month starting at 2 pm. This day of the week and time was selected so as to minimize any overlap with Member Agency governing body meetings on Monday-Wednesday and other regional government meetings. As requested by the Board of Directors, staff has also checked the national holiday calendar and found no conflicting dates with any major national or religious holidays. In June 2017 there is a League of California Cities Executive forum for Mayors and Council Members from June 28-30 that does conflict with the June Board meeting. Staff sends out the Board packet one-week prior to the Board meeting.

Fiscal Impact

There is no fiscal impact associated with continuing a monthly meeting calendar.

Attachments

Attachment A – Proposed 2017 Board Meeting Dates

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY
2017 BOARD MEETING SCHEDULE

Meetings of the South Bayside Waste Management Authority Board of Directors are held on the fourth Thursday of the month from 2:00 pm to 4:00 pm

Location: City of San Carlos Library, 2nd Floor, Conference Room A/B, 610 Elm St., San Carlos, CA 94070

| | | |
|-----------|------------------------|------|
| January | 26 | 2017 |
| February | 23 | 2017 |
| March | 23 | 2017 |
| April | 27 | 2017 |
| May | 25 | 2017 |
| June | 22 | 2017 |
| July | 27 | 2017 |
| August | NO MEETING IN AUGUST | |
| September | 28 | 2017 |
| October | 26 | 2017 |
| November | 16* (Third Thursday) | 2017 |
| December | NO MEETING IN DECEMBER | |

* The 4th Thursday of November falls on the Thanksgiving Holiday; the Board Meeting has been scheduled for the week prior.



STAFF REPORT

To: SBWMA Board Members
From: Hilary Gans, Facility Operations Contracts Manager
Date: November 17, 2016 Board of Directors Meeting
Subject: Approval of Shoreway Environmental Center MRF Equipment Capital Equipment Baler Refurbishment Project

Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2016-42 attached hereto authorizing the following action:

Approval of Shoreway Environmental Center MRF Equipment Capital Equipment Baler Refurbishment Project.

Analysis

Staff conducted a competitive bid process that resulted in a low-bid received by Recycling Equipment Repair, Inc. nearly all of the materials processed at the MRF are baled as a last step in the recyclable material sorting process prior to sale. The Shoreway MRF has two balers that receive high-wear and that require major refurbishment every 5-10 years. The Harris baler is in need of refurbishment and staff is taking the opportunity, during the MRF fire restoration downtime to perform necessary repairs with the goal of having the baler back in operation prior to the restart of the MRF.

Recycling Equipment Repair was the low bid at \$91,926.26. There are several major components that are internal to the machine that cannot be assessed until the baler is disassembled (specifically, the hydraulic system that cannot be analyzed until the machine is dismantled and the components are performance tested off-site). The dollar amount of the resolution includes a contingency of \$58,073.74 in case these hydraulic components need to be rebuilt.

Background

The SBWMA owns two balers as part of the MRF processing equipment. The balers function to compress paper and containers into bales that are sold into commodity markets. Major capital repairs and refurbishment of the balers are the responsibility of the SBWMA.

Fiscal Impact

The Harris Baler refurbishment was anticipated in the capital budgeting process for FY16/7. The MRF equipment capital reserve balance is \$1.72M.

Attachments:

Resolution 2016-42



RESOLUTION NO. 2016-42

RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS APPROVAL OF SHOREWAY ENVIRONMENTAL CENTER MRF EQUIPMENT CAPITAL EQUIPMENT BALER REFURBISHMENT PROJECT

WHEREAS, SBWMA owns and maintains the processing equipment at the Shoreway MRF; and

WHEREAS, the Harris Baler is in need of refurbishment work; and

WHEREAS, the SBWMA has a capital budget for MRF equipment replacement and refurbishment.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby approves a contract with Recycling Equipment Repair, Inc. for the Harris baler refurbishment in the amount not to exceed amount of \$150,000.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 17th day of November, 2016, by the following vote:

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

I HEREBY CERTIFY that the foregoing Resolution No. 2016-42 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on November 17, 2016.

ATTEST:

Bob Grassilli, Chairperson of SBWMA

Cyndi Urman, Board Secretary



STAFF REPORT

To: SBWMA Board Members
From: Jean Savaree, General Counsel
Date: November 17, 2016 Board of Directors Meeting
Subject: Code of Conduct for Proposers

Recommendation

On January 25, 2007, the SBWMA Board of Directors adopted both a Board Member and Proposed Code of Conduct Applicable to the Contractor Selection Process which governed the conduct of the Board and potential contractors as the Board received and reviewed proposals which ultimately led to the selection of Recology of San Mateo County to provide recyclable materials, organic material and solid waste collection services through franchise agreements with SBWMA.

To insure an open and fair process during franchise negotiations, the Codes of Conduct prohibited ex parte contacts between potential contractors and SBWMA Board Members. The Codes of Conduct also prohibited potential contractors from giving gifts to Board Members, staff or consultants.

Pursuant to Article 3 of the Franchise Agreements with Recology, Term of Agreement, Subsection 3.02, Term, the current franchise agreements will terminate on December 31, **2020**, unless extended, as provided for in Subsection 3.03, Extension of Term. The process to consider an extension is to be conducted in calendar year 2017 through a “meet and confer” process.

As SBWMA now begins this “meet and confer” process regarding extension of the franchise agreements, staff recommends approval of the attached (revised) Codes of Conduct for Recology (Contractor) and the SBWMA, Board, its committees, staff and consultants. The revisions, shown in redline/strikeout, have been made to show the Board how the Codes have been revised to reflect their applicability to the contract extension process and all parties now participating in the process.

Attachments:

- A. Revised Contractor Code of Conduct for the SBWMA Contractor Selection Process for Collection and Operating Services
- B. Redlined – Contractor Code of Conduct for the SBWMA Contractor Selection Process for Collection and Operating Services (available online only at <http://www.rethinkwaste.org/>)
- C. Revised SBWMA Code of Conduct Applicable to the Franchise Agreement Extension Negotiation Process
- D. Redlined SBWMA Code of Conduct Applicable to the Franchise Agreement Extension Negotiation Process (available online only at <http://www.rethinkwaste.org/>)



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**REVISED CONTRACTOR CODE OF CONDUCT
FOR THE SBWMA CONTRACTOR SELECTION PROCESS
FOR COLLECTION AND OPERATING SERVICES**

**CONTRACTOR CODE OF CONDUCT
FOR THE SBWMA CONTRACTOR SELECTION PROCESS
FOR COLLECTION AND OPERATING SERVICES**

The South Bayside Waste Management Authority (“SBWMA”) is a joint powers authority among the cities of Belmont, Burlingame, East Palo Alto, Foster City, Menlo Park, Redwood City, San Carlos, and San Mateo; towns of Atherton and Hillsborough; the West Bay Sanitary Service District; and the County of San Mateo (“Member Agencies”). The SBWMA is entering into a meet and confer process to discuss an extension of the Member Agency Franchise Agreements (“Agreements”) with Recology San Mateo County (“Contractor”) for the collection, processing, of solid waste, recyclable materials, and organic materials within the jurisdiction of the SBWMA.

The Board Members of SBWMA are obligated to comply with the Political Reform Act of 1974 (“PRA”) and the Brown Act (Government Code §56950 et seq.).

SBWMA has a desire to maintain a process free from any undue influence and the appearance of impropriety. SBWMA prepared this “Contractor Code of Conduct”.

Contractor is responsible for ensuring compliance with the following Code of Conduct. Contractor’s responsibility to comply with this Code of Conduct shall extend to its employees, agents, consultants, lobbyists, or other parties or individuals engaged for the purposes of developing or supporting Contractor’s proposed extension of the current Agreements.

The Contractor’s Code of Conduct is presented below:

1. Ex Parte Contacts Prohibited

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for and award of Agreements’ extensions with Contractor, whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, the Technical Advisory Committee and SBWMA employees and consultants are prohibited from having any verbal or written communications (ex parte contacts) with Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor’s proposed extension of the Agreements except in the course of a legally noticed meeting of the SBWMA Board, or any meeting of the Franchise Agreement Extension Committee, Technical Advisory Committee, or in conjunction with a meeting authorized by the SBWMA Executive Director which involves SBWMA staff and/or consultants as part of the meet and confer process for an extension of the Agreements.

2. Gift and Compensation Prohibited

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Agreements' extensions, whichever comes later, Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor's proposed extension of the Agreements are prohibited from giving any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) to an SBWMA Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff and/or consultant.

Please be aware that any Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff or consultant who accepts such a gift or compensation may be subject to censure by the SBWMA Board. Any SBWMA staff member who violates this policy may be subject to discipline including termination of services and any consultant who violates this policy may be subject to termination of services. If Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained for the purpose of developing and supporting Contractor's proposed extension of the Agreements violates this policy as to gifts or compensation, the SBWMA Board may terminate further contract extension discussions.

3. Other Proposals/Offers Prohibited

From November 17, 2016 to December 31, 2017, or prior to the SBWMA and Member Agencies conclusion of the meet and confer process for an award of Agreements' extensions, whichever comes later, Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting Contractor's proposed extension of the Agreements are prohibited from proposing or offering to provide any services within the SBWMA service area related to non-hazardous solid waste, recyclable materials, or organic materials management to any individual Member Agency (or subgroup of Member Agencies), its elected officials, or appointed officers or representatives. If such behavior occurs, the SBWMA Board may terminate further contract extension discussions.



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**REDLINED CONTRACTOR CODE OF CONDUCT
FOR THE SBWMA CONTRACTOR SELECTION PROCESS
FOR COLLECTION AND OPERATING SERVICES**

WWW.RETHINKWASTE.ORG



A Public Agency

**REVISED SBWMA CODE OF CONDUCT
APPLICABLE TO THE FRANCHISE AGREEMENT
EXTENSION PROCESS**

**SBWMA CODE OF CONDUCT
APPLICABLE TO THE FRANCHISE AGREEMENT EXTENSION NEGOTIATION
PROCESS**

1. Ex Parte Contacts Prohibited

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Franchise Agreements (Agreements) extensions with Recology San Mateo County (Contractor) whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, Technical Advisory Committee, and any SBWMA employee or consultant are prohibited from having any verbal or written communications (ex parte contacts) with Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained for the purpose of developing and supporting the Contractor's proposed extension of the Agreements, except in the course of a legally noticed meeting of the SBWMA Board, Franchise Agreement Extension Committee, Technical Advisory Committee meeting, or in conjunction with a meeting authorized by the Executive Director which involves SBWMA staff and/or consultants as part of the meet and confer process for a contract extension.

If any such unauthorized ex parte contact occurs, the Board member shall disclose its occurrence at the next meeting of the SBWMA Board that next follows the said ex parte contact.

2. Gift and Compensation Prohibited

From November 17, 2016, to December 31, 2017, or prior to the SBWMA Board and Member Agencies conclusion of the meet and confer process for an award of Agreements extensions, whichever comes later, SBWMA Board Members, the Franchise Agreement Extension Committee, Technical Advisory Committee, and any SBWMA employee or consultant are prohibited from accepting any gift of any monetary value, or compensation of any kind (as defined under the California Political Reform Act) from Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting the Contractor's proposed extension of the Agreements.

Please be aware that any Board Member, member of the Franchise Agreement Extension Committee, Technical Advisory Committee or any SBWMA staff or consultant who accepts such a gift or compensation may be subject to censure by the SBWMA Board. Any SBWMA staff member who violates this policy may be subject to discipline including termination and any consultant who violates this policy may be subject to termination of services. If Contractor, its employees, agents, consultants, lobbyists or other parties or individuals retained by Contractor for the purpose of developing and supporting the Contractor's proposed extension of the Agreements violates this policy as

to gifts or compensation, the SBWMA Board may terminate further contract extension discussions.

3. It is understood that this Code of Conduct is in addition to any other applicable state or local regulations that apply to the conduct of the SBWMA Board, the Franchise Agreement Extension Committee, Technical Advisory Committee, SBWMA employees and consultants.



A Public Agency

**REDLINED SBWMA CODE OF CONDUCT
APPLICABLE TO THE FRANCHISE AGREEMENT
EXTENSION PROCESS**

WWW.RETHINKWASTE.ORG



STAFF REPORT

To: SBWMA Board Members
From: Farouk Fakira, Finance Manager
Date: November 17, 2016 Board of Director's Meeting
Subject: Approval of Quarterly Investment Report for the Quarter Ended September 30, 2016

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 September 30, 2016, the investment portfolio was in compliance with the Investment Policy. The portfolio contains sufficient 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 September 30, 2016, funds in the amount of \$17,424,918 were invested, producing a weighted average yield of 0.52%.

Below is a summary of the changes from the last quarter.

| | Qtr Ended 9/30/16 | Qtr Ended 6/30/16 | Increase (Decrease) |
|------------------------|------------------------------|------------------------------|--------------------------------|
| Total Portfolio | \$ 17,424,918 | \$ 22,086,038 | \$ (4,661,120) |
| Weighted Average Yield | 0.52% | 0.48% | 0.04% |
| Interest Earnings | \$ 24,394 | \$ 23,006 | \$ 1,388 |

The total portfolio balance decreased by \$4,661,120. The decrease is primarily due to transfers of money from the investment account to the operating account for operating expenses related to disposal and processing costs and operator compensation due to timing in making payments in June for \$1,633,550.65 for May's SBR payment, and Ox Mountain, Newby, and Zanker's disposal expenses for \$1,216,879.84. In addition, the principal of \$1,310,000 and interest \$1,405,956.25 payments for the 2009 Series A bond paid in September also contributed to the decrease. The slightly higher weighted average yield resulted in slightly higher interest earnings.

A table comparison of the portfolio components is provided below:

| | 9/30/2016 Balance | % of Total | 6/30/2016 Balance | % of Total | Change over Prior Quarter |
|------------------------|------------------------------|-----------------------|------------------------------|-----------------------|--------------------------------------|
| SM County Pool | \$ 6,274,875 | 36% | \$ 5,762,103 | 26% | \$ 512,772 |
| LAIF | 6,513,338 | 37% | 10,003,104 | 45% | (3,489,766) |
| Bond Account | 4,636,705 | 27% | 6,320,831 | 29% | (1,684,126) |
| Total Portfolio | \$ 17,424,918 | 100% | \$ 22,086,038 | 100% | \$ (4,661,120) |

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

Due to arbitrage restrictions, bond investments are not included in our LAIF rate or investment pool comparison. As of September 30, 2016, the bond reserve and payment accounts of approximately \$4.6 million were invested with the trustee in short-term investments.

As of September 30, 2016, investments in the County Investment Pool totaled 36% of SBWMA's funds available for investment pools (see Attachment 1). The percentage is within the range specified by the SBWMA Board.

The average yield of the portfolio in the quarter excluding the bond proceeds was 0.71%. LAIF is used as a benchmark and the average LAIF yield for the quarter ending June 30, 2016, was 0.60%. The San Mateo County Pool average yield for the quarter was 0.82%.

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 of San Carlos, have reviewed this report before presentation to the Board.

Attachments

- A – Summary of All Investments for Quarter Ending September 30, 2016
- B – Investment Portfolio 9/30/2016 - Chart
- C – Historical Summary of Investment Portfolio

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

SUMMARY OF ALL INVESTMENTS
For Quarter Ending September 30, 2016

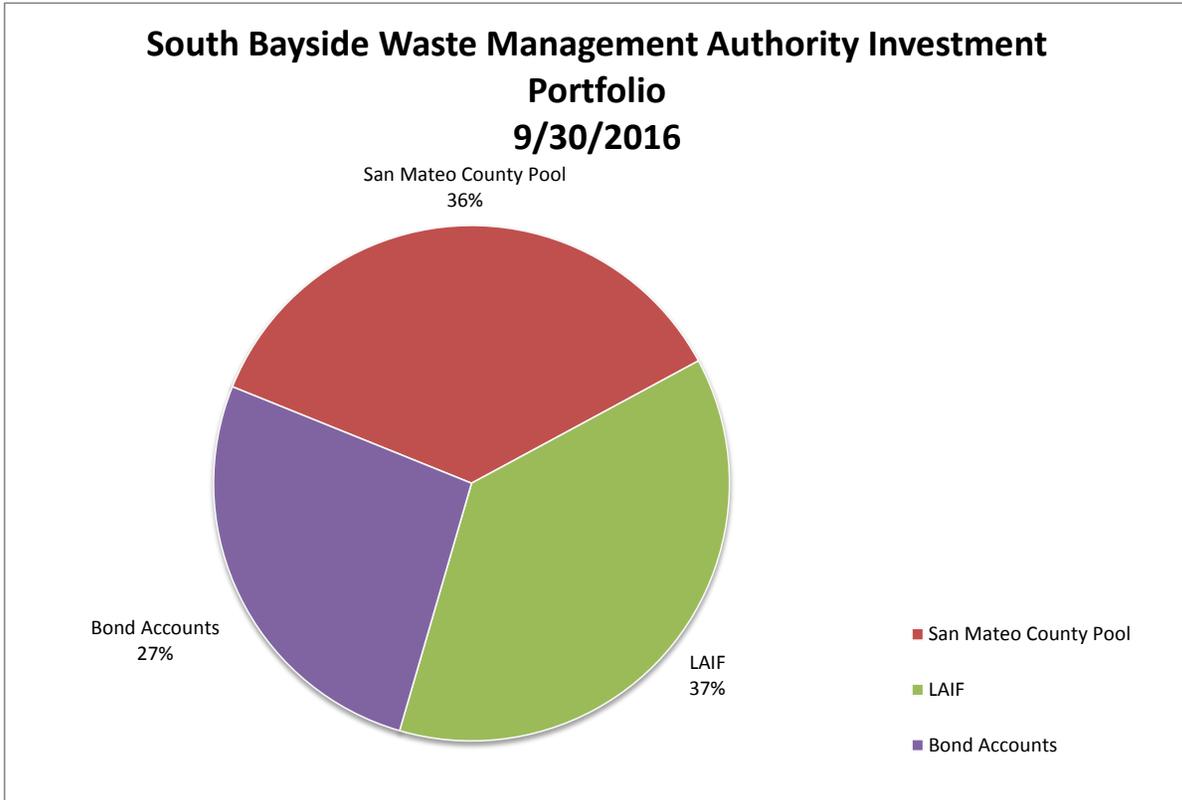
| Category | Weighted Average Interest Rate | Historical Book Value | % of Portfolio | GASB 31 ADJ Market Value* | Interest Earned |
|---|--------------------------------------|--------------------------|-------------------|------------------------------|--------------------|
| Liquid Investments: | | | | | |
| San Mateo County Investment Pool (COPOOL) | 0.82% | \$ 6,274,875 | 49% | \$ 6,274,875 | 14,477 |
| Local Agency Investment Fund (LAIF) | 0.60% | 6,513,338 | 51% | 6,515,332 | 9,917 |
| Total - Investments | 0.71% | 12,788,213 | 100.00% | 12,790,206 | 24,394 |
| Bond Accounts - Cash with Fiscal Agents | | | | | |
| BNY Western Trust - Certificates of Deposit^ 2009A Reserve Fund Account | 0.00% | - | | - | - |
| BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account | 0.00% | 4,125,407 | | 4,125,407 | - |
| BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account | 0.00% | 511,298 | | 511,298 | - |
| Total - Bond Accounts | 0.00% | 4,636,705 | | 4,636,705 | - |
| GRAND TOTAL OF PORTFOLIO | 0.52% | 17,424,918 | | 17,426,911 | 24,394 |
| Total Interest Earned This Quarter | | | | 24,394 | |
| Total Interest Earned Fiscal Year-to-Date | | | | 24,394 | |

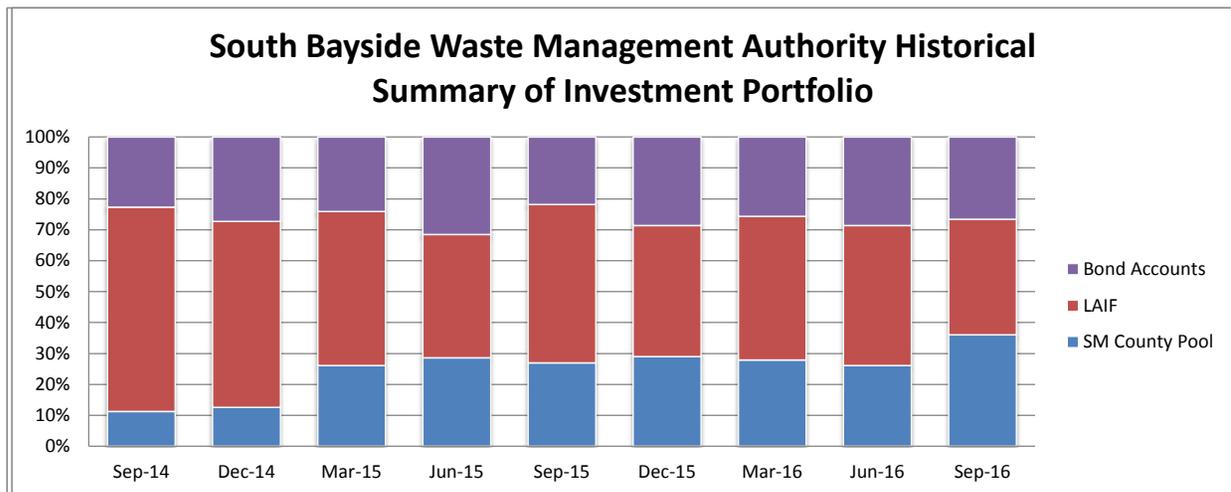
^ - The last Certificate of Deposit matured on 3/24/2016. There was no interest earned during the quarter.

Note: SBWMA Board approved the following investment mix at its January 22, 2015 meeting:

LAIF - 50% to 70%
COPOOL - 30% to 50%

*Difference in value between Historical Value and Market Value may be due to timing of purchase. Investments in the investment pools may have been purchased when interest rates were lower or higher than the end date of this report. As interest rates increase or decrease, the value of the investment pools will decrease or increase accordingly. However, interest rate fluctuations does not have any impact to SBWMA's balance in the investment pools. The market values are presented as a reference only.





South Bayside Waste Management Authority Portfolio

| | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 | Jun-16 | Sep-16 |
|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| SM County Pool | 2,293,037 | 2,596,754 | 5,700,859 | 5,719,002 | 5,728,746 | 5,739,190 | 5,750,398 | 5,762,103 | 6,274,875 |
| LAIF | 13,448,147 | 12,456,035 | 10,864,026 | 7,971,342 | 10,878,169 | 8,385,354 | 9,593,633 | 10,003,104 | 6,513,338 |
| Bond Accounts | 4,628,312 | 5,659,274 | 5,264,849 | 6,296,018 | 4,631,288 | 5,662,254 | 5,289,337 | 6,320,831 | 4,636,705 |
| Grand Total | \$ 20,369,496 | \$ 20,712,063 | \$ 21,829,734 | \$ 19,986,362 | \$ 21,238,203 | \$ 19,786,798 | \$ 20,633,368 | \$ 22,086,038 | \$ 17,424,918 |