



CONSENT CALENDAR

**DRAFT MINUTES**

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
MEETING OF THE BOARD OF DIRECTORS  
January 27, 2011 – 2:00 p.m.  
Shoreway Environmental Center**

1. Roll Call: CTO 2:27 p.m.

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.

3. **Approval of Consent Calendar:**

Consent Calendar item(s) are considered to be routine and will be enacted by one motion. There will be no separate discussion on these items unless members of the Board, staff or public request specific items be removed for separate action. *Items removed from the Consent Calendar will be moved to the end of the agenda for separate discussion.*

A. Adopt the November 18, 2010 BOD Meeting Minutes

Member Nava: Requested clarification on Item 4A from 11/18/2010 minutes; revised as follows:

**New motion. M/S Hardy/LaMariana to accept the Resolution Approving Shoreway Facility Tipping Fee Adjustments Effective 1/1/11 as follows:**

	<b>Staff Proposed Rate</b>	<b>Board Approved</b>
Franchised solid waste	\$93.00/ton	<b>\$90.00/ton</b>
Franchised organics	\$79.00/ton	\$79.00/ton
Public C&D materials	\$88.00/ton	<b>\$90.00/ton</b>
Public solid waste	\$40.00/cubic yard	\$40.00/cubic yard
Public plant material	\$29.00/cubic yard	\$29.00/cubic yard
Public C&D	\$28.00/cubic yard	<b>\$29.00/cubic yard</b>

Motion passes 7-2-1-2 (Burlingame, San Mateo)

B Resolution Accepting the Fiscal Year 2009-2010 Annual Financial Statements - Resolution 2011-01

C. Receipt of Allied Monthly Metrics

Nava/Debry approve Consent Calendar, amending November 18, 2010 Meeting Minutes as described above.

Voice Vote: All in Favor

Motion passes 10-0-0-2 (Atherton, San Mateo)

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			

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4. **New Business:**

A. Election of New Officers for 2011

Chair Porter nominates Moura as Chair, second by Member Steffens. All in favor approved 10-0-0-2.

Member Porter nominates Member Steffens as Vice Chair, second by Member Gervais. All in favor approved 10-0-0-2.

B. Mid Year Review of FY2011 Annual Operating Budget

Discussion:

Member Nava questioned if the additional costs incurred by Recology Customer Service during the roll out would impact the budget. Executive Director (ED) McCarthy responded that there wouldn't be any impacts since these costs are not an expense that the Member Agency's are responsible for per the Franchise Agreements.

Member Fotu requested clarification on CIWMB reporting. Staff Feldman indicated that there has been a request from the state for reporting that overlaps and a budget adjustment of \$25k is necessary in order to meet the reporting requirements.

Clarification was requested on deduction of \$75k on Mandatory Commercial Recycling Ordinances, which Staff Feldman responded this was due to a change in policy; not required by state.

Member Nava questioned if reports of Mandatory Recycling Program is more advantageous for JPA to enforce when the new law is in place. Requested Staff to research. Chair Moura responded that education and outreach would be the key. Staff Feldman responded that including bill inserts to give notification of new law meets the state requirements. Chair Moura stated that he believes more is needed. Member Nava recommends a few enforcers JPA wide, not 12 since the goal is to increase Commercial tonnage.

Member Boyd requested clarification on Shoreway Investigation being part of the budget since funds were available through settlement to pay for the remediation. ED McCarthy confirmed that the funds were available elsewhere and that the line item is an indication of how much is anticipated to be spent in this fiscal year; staff will adjust budget

Member Fotu requested clarification on solar system engineering line item. Staff Gans explained that is was related to a Power Purchase Agreement (PPA) that the SBWMA is involved with to install photovoltaic cells at Shoreway. The PPA effort is being led by Santa Clara County.

Member Fotu requested clarification on cuts in green business program. Staff Feldman stated it was due to reduced demand for staff time to conduct business certifications.

C. Discussion on Third Party (i.e., Non-Franchise) Pricing Approach for New MRF Tonnage

Discussion:

Member Nava suggested review of a different model, a lease model; non JPA members should pay full rate since agencies have franchised rates, others have to cover full cost.

Member Gervais requested clarification on the length of the contract. ED McCarthy stated they were short. Member Gervais asked if they were short to see how it would work. Wanted to know if there were any liability concerns taking on additional tonnage from other municipalities. ED McCarthy replied no, that there is a daily allowance of 3000 tons by permit; historically the facility runs 1500 tons.

Staff Gans included that contracts would be a requirement in order to process.

Vice Chair (VC) Steffens questioned if there was enough storage capacity for waste, trucking, etc. ED McCarthy responded that there was plenty of capacity. Tip floor can store 2 full days of waste,

Member Hardy stated that he agrees on Policy with member Nava. No subsidizing rates. Likes the entrepreneur approach for new revenues with such new revenue used for rate reduction. Questioned if we are setting aside funds to replace equipment after its life; wants to make sure we cover any accelerated depreciation ED McCarthy responded that the Board adopted new Reserve policy for equipment depreciation over 12 year schedule with schedule starting two years after bonds sold. .

Member Hardy wanted to know if adding a second shift will shorten the life time of the equipment. ED McCarthy responded that he would confirm with BHS and SBR and respond

Member Nava questioned if SBR had full control of the facility 24/7. ED McCarthy responded there are parameters of operations in the contract.

Member Nava questioned if staff visited lease payment options with SBR.

Chair Moura stated that there needs to be an analysis of both models to see which model would be more advantageous.

Vice Chair Steffens stated that clear record of who brought what in for commercial revenue would be needed.

ED McCarthy stated that the operations agreement is written to show parameters. There would need to be negotiations with SBR on the processing fee and any revenue sharing.

## 5. Old Business:

### A. Update on Rollout of New Collection Services Effective 1/1/11

Member Nava expressed gratitude to Mark, Mario, Gino and Gina for being responsive and handling each complaint. Added that the RFP Contract was written so that driver's with seniority had first choice of routes, doesn't believe the issues with routes were the fault of the company. Displeasure also with the rates increase at the same time, believes that Prop 218 notice in October would have limited complaints.

Vice Chair Steffens requested responsibility clarification on billing issues from SFDs in Menlo Park. Some cases Recology CSRs tell residents to call the City. Mark Arsenault, Recology (RSMC), responded, in no instance. Some residents did believe they were owed refunds, but CSRs shouldn't refer to the City. Will address issue with Customer Service.

Member Hardy wanted to know how improper placement issues were going to be addressed going forward. Mr. Arsenault responded currently drivers are physically moving carts to street. Driver's have tags that they will begin to use by placing on cart advising residents.

Chair Moura stated that he believes that people need to know "why" placement is important. Staff Devincenzi added that the Rethinker newsletter will be addressing this issue. In addition, another mailer will be sent out.

Vice Chair Moura requested adding Cart Return to outreach.

Member Gervais stated that Belmont is changing their street sweeping; request to add this info to outreach.

Member Nava also requested to be added since Burlingame is changing their street sweeping.

Member DeBry stated that the Roll out went well, however back yard service is not being handled and requested RSMC to resolve.

Member Fotu stated that Menlo Park call volumes have lowered; believes issues have been resolved. Requested contact numbers. Requested info on Compost events (SBWMA staff will follow up). Carts on same side instead of opposite side on different days, needs maps.

Chair Moura summarized that upcoming outreach is to include information regarding days of service opposite sides of streets due to efficiency and safety.

### B. Update on South Bay Recycling Start-Up of Shoreway Facility Operations Effective 1/1/11

## 6. Staff Updates

- a) Final Update on Allied Contract Compliance
- b) Shoreway Construction Update
- c) Update on Recology Commercial Recycling Outreach Efforts
- d) Recycling and Outreach Programs Update
- e) Preview of Upcoming Board meetings

## 7. Board Member Comments

## 8. Adjourn-4:42pm

Next Regular meeting scheduled for February 24, 2011, San Carlos Library at 2 pm

Audio of this meeting can be found at [www.rethinkwaste.org](http://www.rethinkwaste.org)



## STAFF REPORT

**To:** SBWMA Board Members  
**From:** Marshall Moran, Finance Manager  
**Date:** February 24, 2011 Board of Director's Meeting  
**Subject:** Quarterly Investment Report for the Quarter Ended December 31, 2010

### 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 JPA, through prudent investment of unexpended cash. As of December 31, 2010, 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 report indicates that on December 31, 2010, funds in the amount of \$22,578,570 were invested producing a weighted average yield of 0.40%.

Accrued interest earnings this quarter totaled \$76,503. As shown in the table below, the decrease in interest income is due to the decreased balance of the portfolio as compared with the prior quarter.

Below is a summary of the changes in the portfolio.

	<b>Qtr Ended 12/31/10</b>	<b>Qtr Ended 09/30/10</b>	<b>Increase (Decrease)</b>
<b>Total Portfolio</b>	<b>\$ 22,578,570</b>	<b>\$ 30,918,719</b>	<b>\$ (8,340,149)</b>
<b>Wgtd Avg Yield</b>	<b>0.40%</b>	<b>0.47%</b>	<b>-0.07%</b>
<b>Interest Earnings</b>	<b>\$ 76,503</b>	<b>\$ 91,488</b>	<b>\$ (14,986)</b>

The decrease in the total portfolio of \$8,340,149 is primarily related to payments from the bond proceeds project account related to the capital project costs offset by interest received last quarter.

A table comparison of the portfolio components has been provided below:

	<b>12/31/10 Balance</b>	<b>% of Total</b>	<b>09/30/10 Balance</b>	<b>% of Total</b>	<b>Change over prior qtr</b>
<b>SM County Pool</b>	<b>\$ 2,060,200</b>	<b>9%</b>	<b>\$ 2,053,315</b>	<b>7%</b>	<b>\$ 6,884</b>
<b>LAIF</b>	<b>\$ 6,182,460</b>	<b>27%</b>	<b>\$ 6,174,485</b>	<b>20%</b>	<b>\$ 7,975</b>
<b>Bond Proceeds</b>	<b>\$ 14,335,911</b>	<b>63%</b>	<b>\$ 22,690,918</b>	<b>73%</b>	<b>\$ (8,355,008)</b>
<b>Total Portfolio</b>	<b>\$ 22,578,570</b>	<b>100%</b>	<b>\$ 30,918,719</b>	<b>100%</b>	<b>\$ (8,340,149)</b>

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 0.40%. The Local Agency Investment Fund (LAIF) is used as a benchmark, and the average LAIF yield for the quarter ending December 31, 2010, was 0.46%. The San Mateo County Pool average yield for the quarter was 1.17%.

Due to arbitrage restrictions, bond proceeds investments are not included in our LAIF rate comparison. As of December 31, 2010, the bond proceeds of approximately \$14.3 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, Interim City Manager of San Carlos, Brian Moura, Assistant City Manager of San Carlos, Michael Galvin, City Treasurer for San Carlos, and, Rebecca Mendenhall Acting Administrative Services Director, have reviewed this report before presentation to the Board.

### **Attachments**

A – Investment Portfolio Summary for the Quarter Ended December 31, 2010

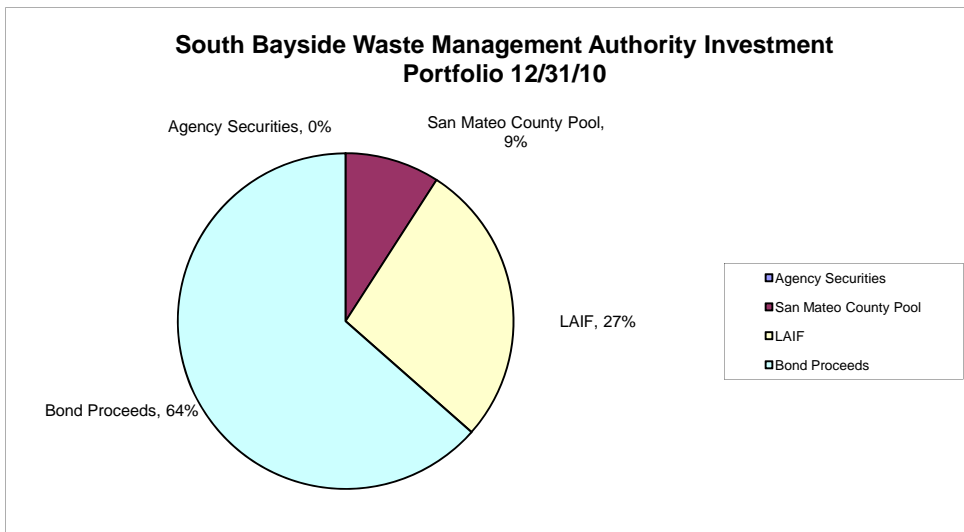
B – Historical Summary of Investment Portfolio

**SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY**

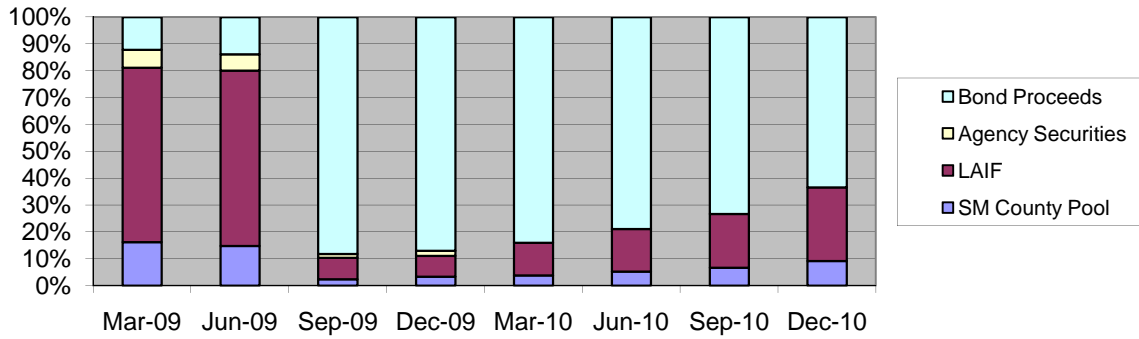
**SUMMARY OF ALL INVESTMENTS**  
For Quarter Ending December 31, 2010

Category	Maturity		Weighted Average Interest Rate	HISTORICAL Book Value	GASB 31 ADJ Market Value
	Days	Months			
<b>Liquid Investments:</b>					
San Mateo County Investment Pool (COPOOL)	2		1.17%	2,060,200	2,060,200
Local Agency Investment Fund (LAIF)	1		0.46%	6,182,460	6,182,460
<b>Total - Investments</b>			<b>0.637%</b>	<b>8,242,659</b>	<b>8,242,659</b>
<b>Bond Proceeds Accounts - Cash with Fiscal Agents</b>					
BNY Western Trust - LAIF 2009 Project Fund Account			0.46%	8,096,976	8,096,976
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009 Project Fund Account			0.01%	425,382	425,382
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Reserve Fund Account			4.32%	4,288,385	4,288,385
BNY Western Trust - Dreyfus Cash Mgmt 670 Inv 2009A Payment Fund Account			0.87%	1,525,167	1,525,167
<b>Total - Bond Proceeds Accounts</b>			<b>1.645%</b>	<b>14,335,911</b>	<b>14,335,911</b>
<b>GRAND TOTAL OF PORTFOLIO</b>			<b>0.398%</b>	<b>22,578,570</b>	<b>22,578,570</b>

<b>Total Accrued Interest this Quarter</b>	<b>76,503</b>
<b>Total Accrued Interest Fiscal Year to Date</b>	<b>167,991</b>



### South Bayside Waste Management Authority Historical Summary of Investment Portfolio



#### South Bayside Waste Management Authority Portfolio

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10
SM County Pool	2,410,579	2,422,086	1,685,963	1,690,785	1,694,971	2,048,690	2,053,315	2,060,200
LAIF	9,636,669	10,694,091	5,734,445	4,003,801	5,511,106	6,166,777	6,174,485	6,182,460
Agency Securities	1,001,250	1,001,250	1,001,250	1,001,250	-	-	-	-
Bond Proceeds	1,802,299	2,260,635	63,174,307	44,972,979	38,168,917	30,856,257	22,690,918	14,335,911
<b>Grand Total</b>	<b>\$ 14,850,797</b>	<b>\$ 16,378,061</b>	<b>\$ 71,595,965</b>	<b>\$ 51,668,815</b>	<b>\$ 45,374,995</b>	<b>\$ 39,071,723</b>	<b>\$ 30,918,719</b>	<b>\$ 22,578,570</b>





## STAFF REPORT

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To: SBWMA Board Members  
From: Robert J. Lanzone, General Counsel  
Date: February 24, 2011 Board of Director's Meeting  
Subject: Resolution Approving Updated Conflict of Interest Code

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### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2011- 02 attached hereto authorizing the following action:

Update the SBWMA's Conflict of Interest Code.

### Analysis

Attached is a copy of the Code adopted by the Board in February 2007. Exhibit A to the Code shows Designated Positions. The form of the Code of Conduct should be familiar to Board Members as it is virtually identical to the Codes each of the SBWMA member agencies have enacted. We have modified the exhibit to show these positions have changed.

### Background

The California Political Reform Act requires each California local agency adopt a Conflict of Interest Code. The Board adopted a Conflict of Interest Code for the SBWMA in February 2007. State law requires agencies to update its Code every two years.

### Fiscal Impact

There is no fiscal impact associated with this Board action.

### Attachments:

Resolution 2011-02



## RESOLUTION NO. 2011- 02

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS UPDATING THE CONFLICT OF INTEREST CODE

**WHEREAS**, the Political Reform Act of 1974 (California Government Code 81000 et seq.) requires each state or local government agency to adopt a Conflict of Interest Code; and

**WHEREAS**, the Fair Political Practices Commission (FPPC) has adopted a regulation (2 Cal. Admin. Code 18730) which contains the terms of a standard model code which can be adopted by reference; and

**WHEREAS**, attached as **Exhibit A** is a Conflict of Interest Code which incorporates FPPC regulations and which reflects changes to the designated positions in the SBWMA; and

**WHEREAS**, Designated Positions are attached to the Code as Exhibit A.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the SBWMA that it hereby adopts the updated Conflict of Interest Code, Exhibit A hereto.

**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 24th day of February, 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. 2011-02 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on February 24, 2011.

ATTEST:

\_\_\_\_\_  
Brian Moura, Chairperson of SBWMA

\_\_\_\_\_  
Cathy Hidalgo, Acting Board Secretary

## CONFLICT OF INTEREST CODE

### SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY

Section 1. Purpose. Pursuant to the provisions of Government Code Sections 87300, et seq., the South Bayside Waste Management Authority (SBWMA) hereby adopts the following Conflict of Interest Code. Nothing contained herein is intended to modify or abridge the provisions of the Political Reform Act of 1974 (Government Code Section 81000). The provisions of this Code are additional to Government Code Section 87100 and other laws pertaining to conflicts of interest. Except as otherwise indicated, the definitions of said Act and regulations adopted pursuant thereto are incorporated herein and this Code shall be interpreted in a manner consistent therewith.

Section 2. Designated Positions. The positions listed on **Exhibit A**, attached hereto and by this reference incorporated herein, are Designated Positions. Each officer and employee holding a position listed on Exhibit A is a Designated Employee, and is required to file a disclosure statement (as prescribed hereinafter) on any decision which the said officer or employee may make or in which said officer or employee may participate, that may foreseeably have a material effect on a financial interest. The Executive Director, or his or her designee, may determine in writing on a case by case basis that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus does not require compliance, or full compliance with disclosure requirements. Any such written determination shall include a description of the consultant's duties and a statement as to the extent of disclosure requirements. The Executive Director may determine whether a contract consultant constitutes a "consultant" as defined in the Political Reform Act. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

Section 3. Disclosure Statement. Designated Positions shall be assigned to one or more of the disclosure categories as contained in the Fair Political Practices Commission (FPPC) Form 700, as set forth on Exhibit A. Each Designated Employee shall file an annual statement disclosing that employee's interest in investments, real property, and income, designated in **Exhibit B**, attached hereto and by this reference incorporated herein, as reportable under the category to which the employee's position is assigned on Exhibit A.

Section 4. Time and Place of Filing.

(a) All designated officers and employees required to submit a statement of financial interests shall file the original with the Clerk of the Board of Directors of SBWMA.

(b) Employees appointed, promoted or transferred to designated positions shall file initial statements within 30 days after date of employment.

(c) Annual statements shall be filed no later than April 1<sup>st</sup> of each year by all designated officers and employees. Such statements shall cover the period of the preceding calendar year.

(d) A designated officer or employee who leaves an office shall file, within 30 days of leaving office, a leaving office statement.

Section 5. Contents of Disclosure Statements. Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the Clerk of the Board of Directors of SBWMA.

Section 6. Disqualifications. Designated officers or employees must disqualify themselves from making or participating in the making of any decisions in which they have a reportable financial interest, when it is reasonably foreseeable that such interest may be materially affected by the decision. No designated officer or employee shall be required to disqualify himself with respect to any matter which could not be legally acted upon or decided without his participation.

\*Staff members employed through Regional Government Services (RGS) or Local Government Services (LGS) are intended to be included within the definition of “employee” for purposes of this Conflict of Interest Code.

## EXHIBIT A

### DESIGNATED POSITIONS

<u>Designated Positions</u>	<u>Disclosure Categories</u>
Members of the Board of Directors	1
Executive Director	1
Recycling Programs Manager	1
Facility Operations Contract Manager	1
Finance Manager	1
Recycling Outreach Sustainability Manager	1
Recycling Coordinator	2
Office Manager/Board Clerk	3

## EXHIBIT B

Category 1. Persons in this category must disclose all investments in business positions in business entities, doing business in, and sources of income and interests in real property, within the jurisdictional area of the SBWMA.

Category 2. Persons in this category must disclose all investments and business positions in business entities in or doing business within the jurisdictional area of the SBWMA. .

Category 3. Persons in this category must disclose all investments and business positions in business entities and sources of income which provide, manufacture or supply services, supplies, materials, machinery or equipment of the type utilized by or subject to review or approval of the member entities of the SBWMA...