



# CONSENT CALENDAR



**DRAFT MINUTES**

SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY  
 MEETING OF THE BOARD OF DIRECTORS  
 June 25, 2015 – 2:00 p.m.  
 San Carlos Library Conference Room A/B

**Call To Order: 2:00PM**

**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. **Adjourn to Closed Session** – Pursuant Government Code Section 54956.9(A): Conference with Legal Counsel – anticipated litigation – one case.

**Regular Session Call To Order 2:15 PM** – Attendance remained the same

**3. Report from Closed Session**

Direction was given, but no action was taken during the closed session.

**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. Executive Director's Report**

Executive Director McCarthy welcomed Farouk Fakira, the JPA's new Finance Manager, who is shadowing Staff Moran for a few months. He also noted that staff Devincenzi has taken a job in the northern part of the County and is leaving the JPA and we wish her well. He added that at the last Board meeting there were questions about the cash reserve balances and a request for an update in the Executive Director's report but noted that those questions have been answered in the budget staff report, and will be included in that discussion.

**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. Adopt the May 28, 2015 BOD Meeting Minutes
- B. Resolution Approving Annual Contract with Aaronson, Dickerson, Cohn & Lanzone for Legal Counsel Services for FY1516
- C. Resolution Approving Three-Year Contract with the City of San Carlos for Accounting and Financial Services
- D. Resolution Approving Annual Contract with T324 for Information Technology and Website Services for FY1516
- E. Resolution Approving Property Insurance Policy Renewal
- F. Resolution Approving Capital Expenditure for Landfill Tipper Engine Replacement

Member Bonilla made a motion to approve the Consent Calendar

Member Stone Seconded the Motion

Voice Vote: All in Favor, Chair Widmer and Member Olbert abstained from item 6C, and 6A

Agency	Yes	No	Abstain	Absent	Agency	Yes	No	Abstain	Absent
Atherton	X		6C		Menlo Park				X
Belmont	X				Redwood City	X			
Burlingame	X				San Carlos	X		6A, 6C	
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. Resolution Approving 2015 Long Range Plan (*Approval item*)

Executive Director McCarthy noted that there would be no formal staff presentation because the Long Range Plan had been presented and discussed many times over the last three months. He highlighted the changes in the document from last month. First, he commented that diversion numbers from the Commercial Recycling Reporting Ordinance have been folded into the diversion projections in the Long Range Plan, and even though it is currently a limited data pool, with the diversion information received so far the diversion projection does go up from 68% to 70%. He also added that staff is still tracking down businesses that haven't filed information, and that if there are still challenges with any of the businesses a request to the Member Agencies for assistance will be initiated. Second, he noted that at the suggestion on Member Brownrigg a Zero Landfill Working Group has been added to the Long Range Plan, and \$30,000 has been included in the FY1516 budget for supplemental research. He added that all of the projects in the Long Range Plan that are recommended in the FY1516 fiscal year have been included in the budget, and that there are other projects for future years.

Chair Widmer noted that Member Brownrigg suggested a Board subcommittee be created as the Zero Landfill Working Group, and asked that Board Members who would like to be on the committee email him before the next Board meeting and the subcommittee would be announced at the next Board meeting. Member Brownrigg, Member Stone, and Member Bonilla volunteered to be on the committee.

Member Brownrigg commented that he was grateful to the Board for supporting the Zero Landfill concept, and that he thought we have a great County to make Zero Landfill a great aspiration today, and a reality sooner than elsewhere in the Country.

Member Brownrigg made a motion to approve the Long Range Plan.

Member Stone Seconded the Motion

Voice Vote: All in Favor

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

Chair Widmer noted that Atherton takes some exception to the execution of some of the items in the report and will explore those further with the Executive Director, but other than that Atherton agrees with the plan and congratulates the staff on a good job.

B. Resolution Adopting FY1516 Operating Budget (*Approval item*)

Executive Director McCarthy noted the changes since to the budget since May. He stated that with the updated tonnage figures the budget results were improved, and the gains in the budget were used to lower the assumed tipping fee to an increase of 2.16% in November instead of 3.7%. He also noted that \$30,000 had been added to the budget for the Zero Landfill Working Group work. He also answered some previous questions regarding the cash reserve balances noting that the differences in the cash reserve balance were in part due the closing the fiscal year with a much higher balance than projected, and also due to a calculation error that was found which led to the wrong amounts being put into some of the reserve categories. He added that the error has been corrected. He also noted that the overall collection rate impact of the budget with the assumed tipping fees would be 0.6%.

Chair Widmer commented that he received a letter from Hillsborough noting their concern over continued growth in the service area and the impact on operating expense in future years.

Member Brownrigg made a motion to approve FY1516 Budget.

Member Bonilla Seconded the Motion

Voice Vote: All in Favor

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

Chair Widmer commented that Atherton agrees with the budget but takes exception to a number of items and will explore contractual remedies with the Executive Director to exclude itself from some of those.

Member Brownrigg asked for further explanation for Chair Widmer's comments, and noted that it sounded like Atherton was trying to check out of paying for SBWMA.

Chair Widmer noted that there are certain things that Atherton feels other jurisdictions are asking for, and in reviewing the contract Atherton would like to opt out.

Member Olbert asked if there was a financial impact to the other Member Agencies or the JPA would an approval item come to the Board before being implemented.

Executive Director McCarthy stated yes, anything that would have financial impact to the Member Agencies would come before the Board for approval. He also used the example of the pilot programs in the current budget noting that those are being paid for by the group because there is potential savings in the future for the group, but if later a recommendation came out of a pilot and some Member Agencies decided they didn't want that service in their jurisdiction then it wouldn't be included in the Franchise Agreement and then that jurisdiction wouldn't pay for that. He added that the JPA doesn't have an a la carte budget system.

Chair Widmer added that Atherton believes that in the future franchise agreements there should be a la carte service choices, and that he wanted to be open with his opinion so that if there is an option to change something in the future he has had the chance to express that request.

Member Aguirre commented that she was concerned about these issues not being addressed before the budget was adopted, and noted that this felt very last minute regardless of conversations had with the Executive Director the decision to go to an a la carte system should involve the whole Board not just two people.

Executive Director McCarthy noted that nothing in the budget had changed based on the Chair sharing this thought. He explained that changes in the possible future Franchise Agreement with Recology could be made on a per agency basis, but that the JPA itself is not set up for a la carte budgeting.

Vice Chair Dehn asked for clarification that both the budget and the Long Range Plan have pilot programs that have been approved in the next year, and after those pilot programs have been completed there will be discussion on whether or not those programs should be implemented across all jurisdictions or if individual jurisdictions would like to implement them.

Executive Director McCarthy stated that this was correct.

C. Resolution Approving Findings from Review of Collection Services and Facility Operations Reports, Tonnage Data and Customer Service Systems Audits *(Approval item)*

Staff Feldman noted that this audit is completed in order to review critical self-reporting information provided by Recology and SBR including tonnage information, performance related metrics, liquidated damages, and performance incentives and disincentives. He added that these audits are the only systematic confirmation of the self-reported information provided by the contractors which is very critical in determining compensation to Recology and hence Member Agency rates. He noted that frequently there are questions about how much money is gotten back from the audits, and even though this is not the focus of the audit he noted that the amounts have ranged from \$110,000 in 2011 to \$21,000 this year. He pointed out that this is audit is not about pointing out lapses in the contractor's performance it is about the

service to the rate payers, these are performance driven contracts and this audit is the only systematic approach to measure how the contractors are performing.

Chair Widmer noted that last year when this was looked at there was a minimal return on the audits, and based on that feedback the audit was scaled back. He questioned if the audits still needed to be done every year since less and less problems are found.

Staff Feldman noted that the scope of the audit is not to find mistakes to offset the cost of the audit, the scope is to review the self-reported data provided by the contractor and he didn't see value in doing the audit less than annually.

Chair Widmer thought there should be some threshold of acceptable error on the part of the contractor, and as long as the threshold is low he thought the audit was something that had diminishing returns. He asked that staff follow up with a letter that stated what the percentage of error was, and then look at how the percentage of error changes next year and look at less auditing. He also noted that he thought this was going to be the case for this year's audit after last year's audit conversation.

Vice Chair Dehn asked for further explanation of call center monitoring costs in Table 1 of the staff report noting that last year she recalled significant coding errors which Recology was working toward correcting. She asked if those had been corrected and the cost listed in Table 1 was the cost of doing the audit or what was owed to the JPA.

Staff Feldman answered that Table 1 represented the errors that were found through the call center monitoring effort. Noting that they were either miscoded or misinterpreted.

Vice Chair Dehn commented that Mario Puccinelli spoke to the Board at the time of last year's audit and Recology was going to make some changes in coding so there was more clarification for the call center. She wanted to make sure the codes were descriptive and accurate, so the Board is not looking at the same issues year after year.

Staff Feldman noted the Recology continues to refine the codes that are used, and in addition there is another layer of documentation for certain liquidated damages codes, and that Recology has made improvements in that area.

Member Aguirre made a motion to approve the audit findings

Member Olbert seconded the motion

Voice Vote: All in Favor

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

D. Resolution Approving Findings from 2014 Financial and Accounting Systems Audit of Recology and SBR (*Approval item*)

Staff Moran noted that the financial systems audit covered both SBR and Recology's payments and billings to the SBWMA as well as what is billed to the customers. He noted that no errors were found, but there were some operational recommendations. He also noted that the main purpose of the audit on the Recology side is to verify the revenue reconciliation balance for 2014, which is now confirmed and in total the surplus is \$3.1M. He added that once it is approved by the Board those agencies with a surplus balance must request a refund of their surplus by July 31, 2015, but noted that this is rate payer's money and should be kept separate.

Member Brownrigg asked for verification if the same audit company performed both audits, and asked if it was done as a single RFP.

Staff Moran answered that yes R3 did both audits, and that separate RFPs were issued and R3 was very competitive for both. He noted that staff asked R3 if they combined the audits would there be a discount, and there was a 15% discount.

Chair Widmer noted that when this was discussed last year there was an interest question that wasn't addressed, and he noted that it needed to be included in the agreement.

Executive Director McCarthy commented that this issue was raised after the MOU was signed, and that he would work with Recology on a letter confirming that if an Agency uses their own money to pay the difference they could avoid the interest charge.

Member Stone made a motion to approve the financial audit findings.

Member Bonilla seconded the motion

Voice Vote: All in favor

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

**8. Collection and Recycling Program Support and Compliance:**

A. No items

**9. Shoreway Operations and Contract Management:**

A. No items

**10. Informational Items Only (no action required)**

- A. 2015 Finance and Rate Setting Calendar
- B. Check Register for May 2015
- C. Public Spaces Pilot Project Update

Member Stone commented that he thought this was a great pilot and he is looking forward to seeing how it goes.

D. Potential Future Board Agenda Items

**11. Board Member Comments**

Member Bonilla volunteered for the zero landfill working group.

Member Aguirre asked how many committee members were needed.

Chair Widmer answered no more than six members.

Executive Director McCarthy said that the group would start meeting in the fall.

Vice Chair Dehn noted that she was more than willing to be on the committee if another Board Member was needed.

**12. Adjourn 2:48PM**





## STAFF REPORT

---

**To:** SBWMA Board Members  
**From:** Kevin McCarthy, Executive Director  
**Date:** July 23, 2015 Board of Director's Meeting  
**Subject:** Resolution Approving Agreement with S. Groner Associates, Inc. for Public Education and Outreach Collateral and Campaign Development and Social Media Services

---

### Recommendation

It is recommended that the SBWMA Board of Directors approve Resolution No. 2015-21 attached hereto authorizing the following action:

Authorizing the Executive Director to execute a contract with S. Groner Associates, Inc. to provide Public Education and Outreach Collateral and Campaign Development and Social Media Services for FY1516 with a not to exceed budget of \$93,000.

### Analysis

RethinkWaste is primarily charged with developing and implementing a variety of public education and public awareness activities to support the programs and services provided to residents and businesses in the service area to increase program awareness, participation and diversion. As of 2013, RethinkWaste also became primarily responsible for developing and implementing the public education activities associated with the Franchise Agreements.

While staff is responsible for public outreach and education efforts, RethinkWaste does not have the resources or the capabilities, such as various design software and commercial printers, to design and produce the required materials. As such, RethinkWaste is seeking to contract with S. Groner Associates, Inc. (SGA) to assist with designing and producing such collateral as newsletters, bill inserts, brochures and advertisements, among others, for the Door-to-Door Household Hazardous Waste (HHW) Collection Program as detailed in the scope of services (**Exhibit A.**) SGA will also continue to be our lead resource in growing our social media fan base and furthering our goals to drive more electronic communications. Finally, SGA will support our pilot commercial outreach strategies as adopted in the 2015 Long Range Plan.

Staff will work with SGA to develop and implement strategies to measure the effectiveness of RethinkWaste public education and outreach efforts. Staff will also continue to work collaboratively with the adhoc Public Education Subcommittee and Recology San Mateo County in developing outreach materials and efforts.

### Background

SGA was previously selected through a Request for Qualifications (RFQ) process conducted in late 2013/early 2014 in which 8 firms submitted proposals. In July 2014, the Board approved a FY1415 contract for \$60,000 with SGA. This past fiscal year SGA was successful in developing a refreshed HHW outreach campaign and significantly increased our fan base on Facebook and Twitter with increases of 29% and 81%, respectively.

RethinkWaste has historically used outside firms to assist with its public education and outreach efforts, including developing strategies and campaigns, designing and producing collateral materials due to a lack of the necessary in-house resources and tools. The previous Request for Proposals for public education and outreach services was issued in April 2009 in preparation for the roll out of new services in January 2011.

**Fiscal Impact**

The SBWMA FY1516 budget includes \$185,000 for Commercial Programs, \$80,000 for the HHW program, and \$240,000 for Residential Programs. The contract with SGA for a not-to-exceed amount of \$93,000 for FY1516 will be paid with these funds.

**Attachments:**

Resolution 2015-21

Exhibit A – SGA Scope of Services



## RESOLUTION NO. 2015-21

### RESOLUTION OF THE SOUTH BAYSIDE WASTE MANAGEMENT AUTHORITY BOARD OF DIRECTORS AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH S. GRONER ASSOCIATES, INC. FOR PUBLIC EDUCATION AND OUTREACH COLLATERAL AND CAMPAIGN DEVELOPMENT AND SOCIAL MEDIA SERVICES

WHEREAS, the South Bayside Waste Management Authority (SBWMA) Board of Directors has considered entering into an agreement with S. Groner Associates, Inc. (SGA) for the purpose of providing the following services:

Public Education and Outreach Services as attached hereto as **Exhibit A**.

NOW, THEREFORE BE IT RESOLVED that the South Bayside Waste Management Authority hereby authorizes the Executive Director to execute a contract with SGA with a not-to-exceed budget of \$93,000.

PASSED AND ADOPTED by the Board of Directors of the South Bayside Waste Management Authority, County of San Mateo, State of California on the 23<sup>rd</sup> day of July, 2015, 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. 2015-21 was duly and regularly adopted at a regular meeting of the South Bayside Waste Management Authority on July 23, 2015.

ATTEST:

\_\_\_\_\_  
Bill Widmer, Chairperson of SBWMA

\_\_\_\_\_  
Cyndi Urman, Board Secretary

## RETHINK WASTE SCOPE OF WORK FISCAL YEAR 2015-16

### **Purpose**

SGA's plan for fiscal year 15-16 has three main goals: educate and encourage residents and stakeholders in San Mateo County to participate in waste reduction, recycling and sustainable practices, increase participation in program initiatives, such as HHW recycling, and build a strong foundation that helps Rethink Waste meet the objectives of the Long Range Plan.

### **Strategy**

SGA will implement a strategy that combines digital and community outreach to support Rethink Waste's objectives and unify the message of the program.

**Outreach Strategy.** The outreach strategy will focus on growing our social media fan base using engaging content as well as targeted digital advertising, adjusted frequently in response to performance metrics. Social media will include cost-effective tactics such as contests and promotion of existing program materials (e.g., redesigned HHW Door-to-Door materials and the My Waste app) to increase engagement and unify the Rethink Waste's initiatives and message.

The outreach strategy will highlight the HHW Door-to-Door Pickup program, while promoting all of Rethink Waste's programs and events. SGA will partner with other Rethink Waste initiatives and using social media, we will foster increased awareness and involvement.

**Additional Programs.** In FY 15-16, Rethink Waste aims to begin a long-range initiative to increase diversion rates among commercial and residential properties, as outlined in the 2015 Final Long Range Plan. SGA will assist with public education and communications efforts with a goal of creating a consistent brand and unified voice, change behavior and increase diversion.

### **Activity Goals**

- Grow the social media fan base on Facebook and Twitter
- Foster greater engagement on social media in the form of comments and shares to generate a quality peer-to-peer communication of program messages
- Increase exposure to Rethink Waste’s initiatives and messaging to ensure the community is aware and engaging in best practices for waste reduction and recycling
- Increase participation in the HHW Door-to-Door program

### **Tasks**

- Create and maintain editorial calendar for FY 15-16
- Update Facebook and Twitter with engaging content and images and respond to fan comments and questions
- Establish a consistent brand and unified voice for the program
- Implement social media contests to build engagement with the program
- Increase fan base through promotional advertisements
- Occasionally increase engagement and interaction through promoted posts
- Track, analyze and report social media metrics
- Collect email addresses to communicate HHW information and augment the existing e-newsletter list
- Send thank you email marketing message to remind residents to follow through on HHW recycling
- Track, analyze and report event and email marketing performance metrics
- Assist Rethink Waste in Long Rang Plan commercial recycling outreach pilot initiatives

### **Deliverables**

- Assist with updating social media pages at a minimum of 4 times a week
- Increase Facebook fan base to 3,400 fans (200%)
- Achieve 2,500 total interactions (likes, comments and shares) on all posts
- Increase Twitter fan base to 800 followers (198%)
- Collect 300 sign-ups
- Increase HHW Door-to-Door Pickup participation by 5%
- Final report

---

**Budget**

Description of Task	Staff Time	Expenses	Subtotal
Door-to-Door HHW Outreach	\$30,000	\$0	\$30,000
Maintain editorial calendar on Facebook and Twitter	\$4,000	\$0	\$4,000
Update social media, run contests and respond to fans' questions and comments	\$14,500	\$500	\$15,000
Implement promotional ads on Facebook and Twitter	\$6,275	\$3,200	\$9,475
Track, analyze and report social media and ad performance metrics	\$4,525	\$0	\$4,525
Assist Rethink Waste in Long Range Plan with commercial recycling outreach pilot efforts	\$30,000	\$0	\$30,000
<b>Total</b>	<b>\$89,300</b>	<b>\$3,700</b>	<b>\$93,000</b>